

# HOUSE BILL No. 1272

---

## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-1.1; IC 36-2-7-13; IC 36-6-8-5.

**Synopsis:** Self-assessment of real property. Provides, beginning with the 2008 assessment date, a system of real property assessment for property tax purposes similar to the current system for personal property assessment. Requires taxpayers to file real property returns with the county assessor. Provides that fair market value is the standard for real property assessment, and requires the department of local government finance to adopt rules for applying that standard. Eliminates township assessor responsibilities for real property assessment. Makes conforming changes.

**Effective:** Upon passage; July 1, 2006; January 1, 2008.

---

---

**McClain**

---

---

January 10, 2006, read first time and referred to Committee on Ways and Means.

---

---

C  
o  
p  
y



Second Regular Session 114th General Assembly (2006)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2005 Regular Session of the General Assembly.

## HOUSE BILL No. 1272

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 6-1.1-1-6.5 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE  
3 JANUARY 1, 2008]: **Sec. 6.5. "Fair market value" means the price**  
4 **at which a willing buyer and a willing seller would arrive, after**  
5 **negotiation for a sale, where neither is acting under compulsion**  
6 **and both have a reasonable knowledge of all the facts affecting**  
7 **value.**

8       SECTION 2. IC 6-1.1-2-2 IS AMENDED TO READ AS  
9 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 2. All tangible  
10 property ~~which that~~ is subject to assessment shall be assessed on a just  
11 valuation basis and in a uniform and equal manner. Personal property  
12 ~~which is~~ **and real property that are** subject to assessment ~~and~~  
13 ~~taxation~~ shall be assessed annually in the manner prescribed in this  
14 article. ~~Real property which is subject to assessment and taxation shall~~  
15 ~~be assessed in the manner and at the times prescribed in this article.~~

16       SECTION 3. IC 6-1.1-4-3.1 IS ADDED TO THE INDIANA CODE  
17 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE



C  
o  
p  
y

JANUARY 1, 2008]: **Sec. 3.1. (a) A taxpayer shall, on or before the filing date of each year (except as provided in IC 6-1.1-8-24.5), file a real property return with the county assessor of each county in which the taxpayer's real property is subject to assessment.**

**(b) The county assessor may grant a taxpayer an extension of not more than thirty (30) days to file the taxpayer's return if:**

**(1) the taxpayer submits a written application for an extension before the filing date; and**

**(2) the taxpayer is prevented from filing a timely return because of sickness, absence from the county, or any other good and sufficient reason.**

**SECTION 4. IC 6-1.1-4-3.2 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 3.2. (a) In completing a real property return for a year, a taxpayer shall make a complete disclosure of all information required by the department of local government finance that is related to the value, nature, or location of the real property reported on the return.**

**(b) The taxpayer shall certify to the truth of:**

**(1) all information appearing in a real property return; and**

**(2) all data accompanying the return.**

**SECTION 5. IC 6-1.1-4-3.3 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 3.3. The county assessor may:**

**(1) examine and verify; or**

**(2) allow a contractor under IC 6-1.1-36-12 to examine and verify;**

**the accuracy of each real property return filed with the county assessor by a taxpayer. If appropriate, the county assessor or contractor under IC 6-1.1-36-12 shall compare a return with the books of the taxpayer and with real property owned, held, possessed, controlled, or occupied by the taxpayer.**

**SECTION 6. IC 6-1.1-4-3.4 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 3.4. (a) On or before July 1 of each year, each county assessor shall certify to the county auditor the assessed value of the real property in every taxing district in the county.**

**(b) The department of local government finance shall prescribe the forms required for the certification under this section.**

**SECTION 7. IC 6-1.1-4-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 3.5. (a) While a county property tax**

**C  
o  
p  
y**



assessment board of appeals is in session, each county assessor shall make the following information available to the board:

- (1) Real property returns.
- (2) Documents related to the returns.
- (3) Any information in the possession of the county assessor that is related to the identity of the owners or possessors of the real property or the values of the real property.

(b) Upon written request of the county property tax assessment board of appeals, the county assessor shall furnish the information referred to in subsection (a) to any member of the board either directly or through employees of the board.

SECTION 8. IC 6-1.1-4-3.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: **Sec. 3.6. If a:**

- (1) county property tax assessment board of appeals; or
- (2) member of a county property tax assessment board of appeals;

changes a valuation made by a person on the person's real property return or adds real property and its value to a return, the board or member shall, by mail, immediately give the person notice of the action taken.

SECTION 9. IC 6-1.1-4-3.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: **Sec. 3.7. Subject to IC 6-1.1-35-9, the county assessor shall preserve and make available for public inspection:**

- (1) all real property returns and lists; and
- (2) any other documents and information related to the determination of real property assessments.

SECTION 10. IC 6-1.1-4-12.4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: **Sec. 12.4. (a)** For purposes of this section, the term "oil or gas interest" includes, but is not limited to:

- (1) royalties;
- (2) overriding royalties;
- (3) mineral rights; or
- (4) working interest; in any oil or gas located on or beneath the surface of land which lies within this state.

(b) Oil or gas interest is subject to assessment and taxation as real property. ~~Notwithstanding the provisions of IC 1971, 6-1.1-4-4, The true tax value of each oil or gas interest shall be assessed reported annually under section 3.1 of this chapter by the assessor of the township in which the oil or gas is located. The township assessor shall~~

C  
o  
p  
y



1 assess the oil or gas interest to the person who owns or operates the  
2 interest.

3 (c) A piece of equipment is an appurtenance to land if it is incident  
4 to and necessary for the production of oil and gas from the land  
5 covered by the oil or gas interest. This equipment includes, but is not  
6 limited to, wells, pumping units, lines, treaters, separators, tanks, and  
7 secondary recovery facilities. These appurtenances are subject to  
8 ~~assessment~~ **assessment** as real property. ~~Notwithstanding the provisions~~  
9 ~~of IC 1971, 6-1.1-4-4, each of these appurtenances shall be assessed~~  
10 ~~annually by the assessor of the township in which the appurtenance is~~  
11 ~~located. The township assessor shall assess the appurtenance to the~~  
12 ~~person who owns or operates the working interest in the oil or gas~~  
13 ~~interest shall report the appurtenances with the person's return~~  
14 **filed under section 3.1 of this chapter.**

15 SECTION 11. IC 6-1.1-4-12.6 IS AMENDED TO READ AS  
16 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 12.6. (a) For  
17 purposes of this section, the term "secondary recovery method"  
18 includes but is not limited to the stimulation of oil production by means  
19 of the injection of water, steam, hydrocarbons, or chemicals, or by  
20 means of in situ combustion.

21 (b) The total assessed value of all interests in the oil located on or  
22 beneath the surface of a particular tract of land equals the product of:

- 23 (1) the average daily production of the oil; multiplied by
- 24 (2) three hundred sixty-five (365); and multiplied by
- 25 (3) the posted price of oil on the assessment date.

26 However, if the oil is being extracted by use of a secondary recovery  
27 method, the total assessed value of all interests in the oil equals  
28 one-half (1/2) the assessed value computed under the formula  
29 prescribed in this subsection. The appropriate ~~township~~ **county**  
30 assessor shall, in the manner prescribed by the department of local  
31 government finance, apportion the total assessed value of all interests  
32 in the oil among the owners of those interests.

33 (c) The appropriate ~~township~~ **county** assessor shall, in the manner  
34 prescribed by the department of local government finance, determine  
35 and apportion the total assessed value of all interests in the gas located  
36 beneath the surface of a particular tract of land.

37 (d) The department of local government finance shall prescribe a  
38 ~~schedule for township assessors to use in assessing rule for~~  
39 **determining the true tax value of** the appurtenances described in  
40 section 12.4 (c) of this chapter.

41 SECTION 12. IC 6-1.1-4-13 IS AMENDED TO READ AS  
42 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 13. (a) In

C  
o  
p  
y



1 assessing or reassessing land, the land shall be assessed as agricultural  
2 land only when it is devoted to agricultural use.

3 (b) The department of local government finance shall give written  
4 notice to each county assessor of:

5 (1) the availability of the United States Department of  
6 Agriculture's soil survey data; and

7 (2) the appropriate soil productivity factor for each type or  
8 classification of soil shown on the United States Department of  
9 Agriculture's soil survey map.

10 All assessing officials and the property tax assessment board of appeals  
11 shall use the data in determining the true tax value of agricultural land.

12 (c) (b) The department of local government finance shall by rule  
13 provide for the method for determining the true tax value of each parcel  
14 of agricultural land.

15 (d) This section does not apply to land purchased for industrial;  
16 commercial; or residential uses.

17 SECTION 13. IC 6-1.1-4-14 IS AMENDED TO READ AS  
18 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 14. (a) Except as  
19 provided in subsection (b) of this section, land may not be assessed to  
20 an adjacent property holder if it:

21 (1) is occupied by and is within the right-of-way of a railroad,  
22 interurban, or street railway;

23 (2) is within the line of a levee constructed and maintained either  
24 by a levee association or under any law of this state;

25 (3) is used and occupied as part of a public drainage ditch,  
26 including land that:

27 (A) is adjacent to the ditch; and

28 (B) cannot be used for farmland or any other purpose because  
29 of a need for access to the ditch; or

30 (4) is within a right-of-way that is used and occupied as a public  
31 highway.

32 (b) Where land described in subsection (a)(1), (a)(2), or (a)(3) has  
33 not been transferred by deed to a person who holds the land for  
34 railroad, interurban, street railway, levee, drainage, or public highway  
35 purposes, the land shall be assessed to the adjacent property owner.  
36 However, the assessed value of the land so assessed shall be deducted  
37 from the assessed value of the land assessed to the adjacent property  
38 owner.

39 (c) If an assessor and a landowner fail to agree on the amount of  
40 land described in subsection (a)(1), (a)(2), (a)(3), or (a)(4), the **county**  
41 assessor shall have the county surveyor make a survey to determine the  
42 amount of land so described.

C  
o  
p  
y



SECTION 14. IC 6-1.1-4-17, AS AMENDED BY P.L.228-2005, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 17. (a) Subject to the approval of the department of local government finance and the requirements of section 18.5 of this chapter, a

(1) township assessor; or

(2) group consisting of the county assessor and the township assessors in a county;

may employ professional appraisers as technical advisors. A decision by one (1) or more assessors referred to in subdivisions (1) and (2) to not employ a professional appraiser as a technical advisor in a general reassessment is subject to approval by the department of local government finance.

(b) After notice to the county assessor and all township assessors in the county, a majority of the assessors authorized to vote under this subsection may vote to:

(1) employ a professional appraiser to act as a technical advisor in the county during a general reassessment period;

(2) appoint an assessor or a group of assessors to:

(A) enter into and administer the contract with a professional appraiser employed under this section; and

(B) oversee the work of a professional appraiser employed under this section.

Each township assessor and the county assessor has one (1) vote. A decision by a majority of the persons authorized to vote is binding on the county assessor and all township assessors in the county. Subject to the limitations in section 18.5 of this chapter, the assessor or assessors appointed under subdivision (2) may contract with a professional appraiser employed under this section to supply technical advice during a general reassessment period for all townships in the county. A proportionate part of the appropriation to all townships for assessing purposes shall be used to pay for the technical advice.

(c) (b) As used in this chapter, "professional appraiser" means an individual or firm that is certified under IC 6-1.1-31.7.

SECTION 15. IC 6-1.1-4-18.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 18.5. (a) A township assessor, a group of township assessors, or the county assessor may not use the services of a professional appraiser for assessment or reassessment purposes without a written contract. The contract used must be either a standard contract developed by the state board of tax commissioners (before the board was abolished) or the department of local government finance or a contract which that has

C  
o  
p  
y



1 been specifically approved by the ~~board or the~~ department. The  
2 department shall ensure that the contract:

3 (1) includes all of the provisions required under section 19.5(b)  
4 of this chapter; and

5 (2) adequately provides for the creation and transmission of real  
6 property assessment data in the form required by the legislative  
7 services agency and the division of data analysis of the  
8 department.

9 (b) No contract shall be made with any professional appraiser to act  
10 as technical advisor in the assessment of property, before the giving of  
11 notice and the receiving of bids from anyone desiring to furnish this  
12 service. Notice of the time and place for receiving bids for the contract  
13 shall be given by publication by one (1) insertion in two (2) newspapers  
14 of general circulation published in the county and representing each of  
15 the two (2) leading political parties in the county; or if only one (1)  
16 newspaper is there published, notice in that one (1) newspaper is  
17 sufficient to comply with the requirements of this subsection. The  
18 contract shall be awarded to the lowest and best bidder who meets all  
19 requirements under law for entering a contract to serve as technical  
20 advisor in the assessment of property. However, any and all bids may  
21 be rejected, and new bids may be asked.

22 (c) The county ~~council~~ **fiscal body** of each county shall appropriate  
23 the funds needed to meet the obligations created by a professional  
24 appraisal services contract ~~which that~~ is entered into under this  
25 chapter.

26 SECTION 16. IC 6-1.1-4-19.5 IS AMENDED TO READ AS  
27 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 19.5. (a) The  
28 department of local government finance shall develop a standard  
29 contract or standard provisions for contracts to be used in securing  
30 professional appraising services.

31 (b) The standard contract or contract provisions must contain:

32 (1) a fixed date by which the professional appraiser or appraisal  
33 firm shall have completed all responsibilities under the contract;

34 (2) a penalty clause under which the amount to be paid for  
35 appraisal services is decreased for failure to complete specified  
36 services within the specified time;

37 (3) a provision requiring the appraiser, or appraisal firm, to make  
38 periodic reports to the ~~township assessors~~ **county assessor**  
39 involved;

40 (4) a provision stipulating the manner in which, and the time  
41 intervals at which, the periodic reports referred to in subdivision

42 (3) of this subsection are to be made;

C  
o  
p  
y





- (5) a precise stipulation of what service or services are to be provided and what class or classes of property are to be appraised;
- (6) a provision stipulating that the contractor will generate complete parcel characteristics and parcel assessment data in a manner and format acceptable to the legislative services agency and the department of local government finance; and
- (7) a provision stipulating that the legislative services agency and the department of local government finance have unrestricted access to the contractor's work product under the contract.

The department of local government finance may devise other necessary provisions for the contracts in order to give effect to the provisions of this chapter.

(c) In order to comply with the duties assigned to it by this section, the department of local government finance may develop:

- (1) one (1) or more model contracts;
- (2) one (1) contract with alternate provisions; or
- (3) any combination of subdivisions (1) and (2).

The department may approve special contract language in order to meet any unusual situations.

SECTION 17. IC 6-1.1-4-22 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 22. ~~(a)~~ If any ~~assessing official~~ **county assessor** or any county property tax assessment board of appeals assesses ~~or reassesses~~ any real property under ~~the provisions of~~ this article, the ~~official~~ **county assessor** or county property tax assessment board of appeals shall give notice to the taxpayer, ~~and the county assessor~~, by mail, of the amount of the assessment. ~~or reassessment.~~

~~(b) During a period of general reassessment, each township assessor shall mail the notice required by this section within ninety (90) days after he:~~

- ~~(1) completes his appraisal of a parcel; or~~
- ~~(2) receives a report for a parcel from a professional appraiser or professional appraisal firm.~~

SECTION 18. IC 6-1.1-4-24 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 24. Immediately following an assessment ~~or reassessment~~ of real property, the county property tax assessment board of appeals shall notify the county auditor of the assessed value of the land and improvements so assessed. The county property tax assessment board of appeals shall give the notice on the form and in the manner prescribed by the department of local government finance.

SECTION 19. IC 6-1.1-4-25, AS AMENDED BY P.L.177-2005,

C  
o  
p  
y



SECTION 27, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 25. (a) Each ~~township~~ **county** assessor shall keep the assessor's ~~reassessment~~ **real property assessment** data and records current by: ~~securing the necessary field data~~

- (1) reviewing returns filed under section 3.1 of this chapter;**
- (2) assessing real property for which no return is filed under section 3.1 of this chapter; and by**
- (3) making changes in the assessed value of real property as changes occur in the use of the real property; if the assessor determines that the assessed value reported on a return filed under section 3.1 of this chapter is incorrect.**

The ~~township~~ **county** assessor's records shall at all times show the assessed value of real property in accordance with ~~the provisions of this chapter. The township assessor shall ensure that the county assessor has full access to the assessment records maintained by the township assessor.~~

(b) The ~~township~~ assessor in a county having a consolidated city, or the county assessor in every other county, shall:

- (1) maintain an electronic data file of:
  - (A) the parcel characteristics and parcel assessments of all parcels **by return**; and
  - (B) the personal property return characteristics and assessments by return;

for each township in the county as of each assessment date;

- (2) maintain the electronic file in a form that formats the information in the file with the standard data, field, and record coding required and approved by:

- (A) the legislative services agency; and
- (B) the department of local government finance;

- (3) transmit the data in the file with respect to the assessment date of each year before October 1 of the year to:

- (A) the legislative services agency; and
- (B) the department of local government finance;

in a manner that meets the data export and transmission requirements in a standard format, as prescribed by the office of technology established by IC 4-13.1-2-1 and approved by the legislative services agency; and

- (4) resubmit the data in the form and manner required under this subsection, upon request of the legislative services agency or the department of local government finance, if data previously submitted under this subsection does not comply with the requirements of this subsection, as determined by the legislative

C  
o  
p  
y



services agency or the department of local government finance. An electronic data file maintained for a particular assessment date may not be overwritten with data for a subsequent assessment date until a copy of an electronic data file that preserves the data for the particular assessment date is archived in the manner prescribed by the office of technology established by IC 4-13.1-2-1 and approved by the legislative services agency.

SECTION 20. IC 6-1.1-4-26 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 26. The department of local government finance may adopt or promulgate regulations, appraisal manuals, rules, bulletins, directives, and forms for the assessment ~~and reassessment~~ of real property.

SECTION 21. IC 6-1.1-4-31, AS AMENDED BY P.L.228-2005, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 31. (a) The department of local government finance shall periodically check the conduct of

(1) ~~a general reassessment of property;~~

(2) ~~work required to be performed by local officials under 50 IAC 21; and~~

(3) ~~other real property assessment activities in the county as determined by the department.~~

**to determine whether the county assessor is performing the duties prescribed in section 25 of this chapter.** The department of local government finance may inform ~~township assessors;~~ county assessors and the presidents of county ~~councils~~ **fiscal bodies** in writing if its check reveals that ~~the general reassessment or other real property assessment activities are not being properly conducted. work required to be performed by local officials under 50 IAC 21 is not being properly conducted;~~ or property assessments are not being properly made.

(b) The failure of the department of local government finance to inform local officials under subsection (a) shall not be construed as an indication by the department that

(1) ~~the general reassessment or other real property assessment activities are being properly conducted.~~

(2) ~~work required to be performed by local officials under 50 IAC 21 is being properly conducted; or~~

(3) ~~property assessments are being properly made.~~

(c) If the department of local government finance:

(1) determines under subsection (a) that ~~a general reassessment or other real property assessment activities for a general reassessment year or any other year are not being properly~~

C  
o  
p  
y



1 conducted; and

2 (2) informs:

3 ~~(A) the township assessor of each affected township;~~

4 ~~(B) (A) the county assessor; and~~

5 ~~(C) (B) the president of the county council; fiscal body;~~

6 in writing under subsection (a);

7 the department may order a state conducted ~~assessment or reassessment~~  
8 **review of real property assessments** under section 31.5 of this  
9 chapter to begin not less than sixty (60) days after the date of the notice  
10 under subdivision (2). If the department determines during the period  
11 between the date of the notice under subdivision (2) and the proposed  
12 date for beginning the state conducted assessment ~~or reassessment~~ that  
13 the ~~general reassessment or other real property~~ assessment activities  
14 for the ~~general reassessment~~ are being properly conducted, the  
15 department may rescind the order.

16 (d) If the department of local government finance:

17 (1) determines under subsection (a) that work required to be  
18 performed by local officials under 50 IAC 21 is not being  
19 properly conducted; and

20 (2) informs:

21 (A) the township assessor of each affected township;

22 (B) the county assessor; and

23 (C) the president of the county council;

24 in writing under subsection (a);

25 the department may conduct the work or contract to have the work  
26 conducted to begin not less than sixty (60) days after the date of the  
27 notice under subdivision (2). If the department determines during the  
28 period between the date of the notice under subdivision (2) and the  
29 proposed date for beginning the work or having the work conducted  
30 that work required to be performed by local officials under 50 IAC 21  
31 is being properly conducted; the department may rescind the order.

32 (e) If the department of local government finance contracts to have  
33 work conducted under subsection (d); the department shall forward the  
34 bill for the services to the county and the county shall pay the bill under  
35 the same procedures that apply to county payments of bills for  
36 assessment or reassessment services under section 31.5 of this chapter.

37 SECTION 22. IC 6-1.1-4-31.5, AS ADDED BY P.L.228-2005,  
38 SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
39 JANUARY 1, 2008]: Sec. 31.5. (a) As used in this section, "assessment  
40 official" means any of the following:

41 (1) A county assessor.

42 (2) A township assessor.

C  
o  
p  
y



~~(3) A township trustee-assessor.~~

~~(b)~~ (a) As used in this section, "department" refers to the department of local government finance.

~~(c)~~ (b) If the department makes a determination and informs ~~local officials~~ **the county assessor** under section 31(c) of this chapter, the department may order a state conducted **review of assessment or reassessment real property assessments** in the county subject to the time limitation in that subsection.

~~(d)~~ (c) If the department orders a state conducted **review of assessment or reassessment real property assessments** in a county, the department shall assume the duties of the ~~county's assessment officials.~~ **Notwithstanding sections 15 and 17 of this chapter, an assessment official county assessor under section 25 of this chapter. A county assessor** in a county subject to an order issued under this section may **not review the assessments of real property or assess real property.** ~~or have property assessed for the assessment or general reassessment.~~ Until the state conducted **assessment or reassessment review** is completed under this section, the ~~assessment or reassessment~~ duties of ~~an assessment official in the county assessor~~ are limited to providing the department or a contractor of the department the support and information requested by the department or the contractor.

~~(e)~~ (d) Before assuming the duties of ~~a county's assessment officials,~~ **the county assessor**, the department shall transmit a copy of the department's order requiring a state conducted ~~assessment or reassessment~~ **review of real property assessments** to the ~~county's assessment officials,~~ the county fiscal body, **the county assessor**, the county auditor, and the county treasurer. Notice of the department's actions must be published one (1) time in a newspaper of general circulation published in the county. The department is not required to conduct a public hearing before taking action under this section.

~~(f) Township and county officials~~ (e) **The county assessor** in a county subject to an order issued under this section shall, at the request of the department or the department's contractor, make available and provide access to all:

- (1) data;
- (2) records;
- (3) maps;
- (4) parcel record cards;
- (5) forms;
- (6) computer software systems;
- (7) computer hardware systems; and
- (8) other information;

C  
o  
p  
y



related to the assessment ~~or reassessment~~ of real property in the county. The information described in this subsection must be provided at no cost to the department or the contractor of the department. A failure to provide information requested under this subsection constitutes a failure to perform a duty related to an assessment ~~or a general reassessment~~ and is subject to IC 6-1.1-37-2.

~~(g)~~ **(f)** The department may enter into a contract with a professional appraising firm to conduct ~~an assessment or reassessment~~ **a review of real property assessments** under this section. If a county ~~or a township located in the county~~ entered into a contract with a professional appraising firm to ~~conduct~~ **review** the county's ~~assessment or reassessment~~ **real property assessments** before the department orders a state conducted ~~assessment or reassessment~~ **review** in the county under this section, the contract:

- (1) is as valid as if it had been entered into by the department; and
- (2) shall be treated as the contract of the department.

~~(h)~~ **(g)** After receiving the report of assessed values from the appraisal firm acting under a contract described in subsection ~~(g); (f)~~, the department **may revise any real property assessment in the county and** shall give notice to the taxpayer and the county assessor, by mail, of the amount of the assessment. ~~or reassessment~~. The notice of assessment: ~~or reassessment~~:

- (1) is subject to appeal by the taxpayer under section 31.7 of this chapter; and
- (2) must include a statement of the taxpayer's rights under section 31.7 of this chapter.

~~(i)~~ **(h)** The department shall forward a bill for services provided under a contract described in subsection ~~(g)~~ **(f)** to the auditor of the county in which the state conducted ~~reassessment~~ **review of real property assessments** occurs. The county shall pay the bill under the procedures prescribed by subsection ~~(j); (i)~~.

~~(j)~~ **(i)** A county subject to an order issued under this section shall pay the cost of a contract described in subsection ~~(g); (f)~~, without appropriation, from the county ~~property reassessment~~ **general** fund. A contractor may periodically submit bills for partial payment of work performed under the contract. Notwithstanding any other law, a contractor is entitled to payment under this subsection for work performed under a contract if the contractor:

- (1) submits to the department a fully itemized, certified bill in the form required by IC 5-11-10-1 for the costs of the work performed under the contract;
- (2) obtains from the department:

C  
o  
p  
y



- (A) approval of the form and amount of the bill; and
- (B) a certification that the billed goods and services have been received and comply with the contract; and
- (3) files with the county auditor:
  - (A) a duplicate copy of the bill submitted to the department;
  - (B) proof of the department's approval of the form and amount of the bill; and
  - (C) the department's certification that the billed goods and services have been received and comply with the contract.

The department's approval and certification of a bill under subdivision (2) shall be treated as conclusively resolving the merits of a contractor's claim. Upon receipt of the documentation described in subdivision (3), the county auditor shall immediately certify that the bill is true and correct without further audit, publish the claim as required by IC 36-2-6-3, and submit the claim to the county executive. The county executive shall allow the claim, in full, as approved by the department, without further examination of the merits of the claim in a regular or special session that is held not less than three (3) days and not more than seven (7) days after the completion of the publication requirements under IC 36-2-6-3. Upon allowance of the claim by the county executive, the county auditor shall immediately issue a warrant or check for the full amount of the claim approved by the department. Compliance with this subsection constitutes compliance with IC 5-11-6-1, IC 5-11-10, and IC 36-2-6. The determination and payment of a claim in compliance with this subsection is not subject to remonstrance and appeal. IC 36-2-6-4(f) and IC 36-2-6-9 do not apply to a claim submitted under this subsection. IC 5-11-10-1.6(d) applies to a fiscal officer who pays a claim in compliance with this subsection.

~~(k)~~ (j) Notwithstanding IC 4-13-2, a period of seven (7) days is permitted for each of the following to review and act under IC 4-13-2 on a contract of the department entered into under this section:

- (1) The commissioner of the Indiana department of administration.
- (2) The director of the budget agency.
- (3) The attorney general.

~~(t)~~ If money in the county's property reassessment fund is insufficient to pay for an assessment or reassessment conducted under this section, the department may increase the tax rate and tax levy of the county's property reassessment fund to pay the cost and expenses related to the assessment or reassessment.

~~(m)~~ The department or the contractor of the department shall use the land values determined under section 13.6 of this chapter for a county

C  
o  
p  
y



subject to an order issued under this section to the extent that the department or the contractor finds that the land values reflect the true tax value of land; as determined under this article and the rules of the department. If the department or the contractor finds that the land values determined for the county under section 13.6 of this chapter do not reflect the true tax value of land; the department or the contractor shall determine land values for the county that reflect the true tax value of land; as determined under this article and the rules of the department. Land values determined under this subsection shall be used to the same extent as if the land values had been determined under section 13.6 of this chapter. The department or the contractor of the department shall notify the county's assessment officials of the land values determined under this subsection:

~~(n)~~ **(k)** A contractor of the department may notify the department if:

(1) a county auditor fails to:

(A) certify the contractor's bill;

(B) publish the contractor's claim;

(C) submit the contractor's claim to the county executive; or

(D) issue a warrant or check for payment of the contractor's bill;

as required by subsection ~~(j)~~ **(i)** at the county auditor's first legal opportunity to do so;

(2) a county executive fails to allow the contractor's claim as legally required by subsection ~~(j)~~ **(i)** at the county executive's first legal opportunity to do so; or

(3) a person or an entity authorized to act on behalf of the county takes or fails to take an action, including failure to request an appropriation, and that action or failure to act delays or halts progress under this section for payment of the contractor's bill.

~~(o)~~ **(l)** The department, upon receiving notice under subsection ~~(n)~~ **(k)** from a contractor of the department, shall:

(1) verify the accuracy of the contractor's assertion in the notice that:

(A) a failure occurred as described in subsection ~~(n)~~ **(1)** or ~~(n)~~ **(2)**; **(k)(2)**; or

(B) a person or an entity acted or failed to act as described in subsection ~~(n)~~ **(3)**; **(k)(3)**; and

(2) provide to the treasurer of state the department's approval under subsection ~~(j)~~ **(2)(A)** **(i)(2)(A)** of the contractor's bill with respect to which the contractor gave notice under subsection ~~(n)~~ **(k)**.

~~(p)~~ **(m)** Upon receipt of the department's approval of a contractor's

C  
o  
p  
y





bill under subsection ~~(t)~~, **(l)**, the treasurer of state shall pay the contractor the amount of the bill approved by the department from money in the possession of the state that would otherwise be available for distribution to the county, including distributions from the property tax replacement fund or distribution of admissions taxes or wagering taxes.

~~(q)~~ **(n)** The treasurer of state shall withhold from the money that would be distributed under IC 4-33-12-6, IC 4-33-13-5, IC 6-1.1-21-4(b), or any other law to a county described in a notice provided under subsection ~~(n)~~ **(k)** the amount of a payment made by the treasurer of state to the contractor of the department under subsection ~~(p)~~ **(m)**. Money shall be withheld first from the money payable to the county under IC 6-1.1-21-4(b) and then from all other sources payable to the county.

~~(r)~~ **(o)** Compliance with subsections ~~(n)~~ **(k)** through ~~(q)~~ **(n)** constitutes compliance with IC 5-11-10.

~~(s)~~ **(p)** IC 5-11-10-1.6(d) applies to the treasurer of state with respect to the payment made in compliance with subsections ~~(n)~~ **(k)** through ~~(q)~~ **(n)**. This subsection and subsections ~~(n)~~ **(k)** through ~~(q)~~ **(n)** must be interpreted liberally so that the state shall, to the extent legally valid, ensure that the contractual obligations of a county subject to this section are paid. Nothing in this section shall be construed to create a debt of the state.

~~(t)~~ **(q)** The provisions of this section are severable as provided in IC 1-1-1-8(b).

SECTION 23. IC 6-1.1-4-31.6, AS ADDED BY P.L.228-2005, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 31.6. (a) Subject to the other requirements of this section, the department of local government finance may:

(1) negotiate an addendum to a contract referred to in ~~section 31.5(g)~~ **section 31.5(f)** of this chapter that is treated as a contract of the department; or

(2) include provisions in a contract entered into by the department under ~~section 31.5(g)~~ **section 31.5(f)** of this chapter; to require the contractor of the department to represent the department in appeals initiated under section 31.7 of this chapter and to afford to taxpayers an opportunity to attend an informal hearing.

(b) The purpose of the informal hearing referred to in subsection (a) is to:

(1) discuss the specifics of the taxpayer's assessment; ~~or reassessment;~~

(2) review the taxpayer's property record card;

C  
o  
p  
y



(3) (2) explain to the taxpayer how the assessment or reassessment was determined;

(4) (3) provide to the taxpayer information about the statutes, rules, and guidelines that govern the determination of the assessment; or reassessment;

(5) (4) note and consider objections of the taxpayer;

(6) (5) consider all errors alleged by the taxpayer; and

(7) (6) otherwise educate the taxpayer about:

(A) the taxpayer's assessment; or reassessment;

(B) the assessment or reassessment process; and

(C) the assessment or reassessment appeal process under section 31.7 of this chapter.

(c) Following an informal hearing referred to in subsection (b), the contractor shall:

(1) make a recommendation to the department of local government finance as to whether a change in the reassessment assessment is warranted; and

(2) if recommending a change under subdivision (1), provide to the department a statement of:

(A) how the changed assessment or reassessment was determined; and

(B) the amount of the changed assessment. or reassessment.

(d) To preserve the right to appeal under section 31.7 of this chapter, a taxpayer must initiate the informal hearing process by notifying the department of local government finance or its designee of the taxpayer's intent to participate in an informal hearing referred to in subsection (b) not later than forty-five (45) days after the department of local government finance gives notice under ~~section 31.5(h)~~ **section 31.5(g)** of this chapter to taxpayers of the amount of the reassessment assessment.

(e) The informal hearings referred to in subsection (b) must be conducted:

(1) in the county where the property is located; and

(2) in a manner determined by the department of local government finance.

(f) The department of local government finance shall:

(1) consider the recommendation of the contractor under subsection (c); and

(2) if the department accepts a recommendation that a change in the assessment or reassessment is warranted, accept or modify the recommended amount of the changed assessment. or reassessment.

C  
o  
p  
y



(g) The department of local government finance shall send a notice of the result of each informal hearing to:

- (1) the taxpayer;
- (2) the county auditor; **and**
- (3) the county assessor. ~~and~~
- ~~(4) the township assessor of the township in which the property is located.~~

(h) A notice under subsection (g) must:

- (1) state whether the assessment ~~or reassessment~~ was changed as a result of the informal hearing; and
- (2) if the assessment ~~or reassessment~~ was changed as a result of the informal hearing:
  - (A) indicate the amount of the changed assessment; ~~or reassessment~~; and
  - (B) provide information on the taxpayer's right to appeal under section 31.7 of this chapter.

(i) If the department of local government finance does not send a notice under subsection (g) not later than two hundred seventy (270) days after the date the department gives notice of the amount of the assessment ~~or reassessment~~ under ~~section 31.5(h)~~ **section 31.5(g)** of this chapter:

- (1) the department may not change the amount of the assessment ~~or reassessment~~ under the informal hearing process described in this section; and
- (2) the taxpayer may appeal the assessment ~~or reassessment~~ under section 31.7 of this chapter.

(j) The department of local government finance may adopt rules to establish procedures for informal hearings under this section.

(k) Payment for an addendum to a contract under subsection (a)(1) is made in the same manner as payment for the contract under ~~section 31.5(i)~~ **section 31.5(h)** of this chapter.

SECTION 24. IC 6-1.1-4-31.7, AS ADDED BY P.L.228-2005, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 31.7. (a) As used in this section, "special master" refers to a person designated by the Indiana board under subsection (e).

(b) The notice of assessment ~~or reassessment~~ under ~~section 31.5(h)~~ **section 31.5(g)** of this chapter is subject to appeal by the taxpayer to the Indiana board. The procedures and time limitations that apply to an appeal to the Indiana board of a determination of the department of local government finance do not apply to an appeal under this subsection. The Indiana board may establish applicable procedures and

C  
o  
p  
y



time limitations under subsection (l).

(c) In order to appeal under subsection (b), the taxpayer must:

(1) participate in the informal hearing process under section 31.6 of this chapter;

(2) except as provided in section 31.6(i) of this chapter, receive a notice under section 31.6(g) of this chapter; and

(3) file a petition for review with the appropriate county assessor not later than thirty (30) days after:

(A) the date of the notice to the taxpayer under section 31.6(g) of this chapter; or

(B) the date after which the department may not change the amount of the assessment or reassessment under the informal hearing process described in section 31.6 of this chapter.

(d) The Indiana board may develop a form for petitions under subsection (c) that outlines:

(1) the appeal process;

(2) the burden of proof; and

(3) evidence necessary to warrant a change to an assessment. ~~or reassessment.~~

(e) The Indiana board may contract with, appoint, or otherwise designate the following to serve as special masters to conduct evidentiary hearings and prepare reports required under subsection (g):

(1) Independent, licensed appraisers.

(2) Attorneys.

(3) Certified level two Indiana assessor-appraisers (including administrative law judges employed by the Indiana board).

(4) Other qualified individuals.

(f) Each contract entered into under subsection (e) must specify the appointee's compensation and entitlement to reimbursement for expenses. The compensation and reimbursement for expenses are paid from the county ~~property reassessment~~ **general** fund.

(g) With respect to each petition for review filed under subsection (c), the special masters shall:

(1) set a hearing date;

(2) give notice of the hearing at least thirty (30) days before the hearing date, by mail, to:

(A) the taxpayer;

(B) the department of local government finance;

~~(C) the township assessor;~~ and

~~(D)~~ (C) the county assessor;

(3) conduct a hearing and hear all evidence submitted under this section; and

C  
o  
p  
y



(4) make evidentiary findings and file a report with the Indiana board.

(h) At the hearing under subsection (g):

(1) the taxpayer shall present:

(A) the taxpayer's evidence that the assessment ~~or reassessment~~ is incorrect;

(B) the method by which the taxpayer contends the assessment ~~or reassessment~~ should be correctly determined; and

(C) comparable sales, appraisals, or other pertinent information concerning valuation as required by the Indiana board; and

(2) the department of local government finance shall present its evidence that the assessment ~~or reassessment~~ is correct.

(i) The Indiana board may dismiss a petition for review filed under subsection (c) if the evidence and other information required under subsection (h)(1) is not provided at the hearing under subsection (g).

(j) The ~~township assessor and the~~ county assessor may attend and participate in the hearing under subsection (g).

(k) The Indiana board may:

(1) consider the report of the special masters under subsection (g)(4);

(2) make a final determination based on the findings of the special masters without:

(A) conducting a hearing; or

(B) any further proceedings; and

(3) incorporate the findings of the special masters into the board's findings in resolution of the appeal.

(l) The Indiana board may adopt rules under IC 4-22-2-37.1 to:

(1) establish procedures to expedite:

(A) the conduct of hearings under subsection (g); and

(B) the issuance of determinations of appeals under subsection (k); and

(2) establish deadlines:

(A) for conducting hearings under subsection (g); and

(B) for issuing determinations of appeals under subsection (k).

(m) A determination by the Indiana board of an appeal under subsection (k) is subject to appeal to the tax court under IC 6-1.1-15.

SECTION 25. IC 6-1.1-5-8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 8. Except as provided in section 9 of this chapter, the county auditor of each county shall annually prepare and deliver to the ~~township~~ county assessor a list of all real property entered in the ~~township~~ county as of the

C  
o  
p  
y



assessment date. The county auditor shall deliver the list within thirty (30) days after the assessment date. The county auditor shall prepare the list in the form prescribed or approved by the department of local government finance.

SECTION 26. IC 6-1.1-5-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 9. Except as provided in section 4(b) of this chapter, for all civil townships in which a consolidated city is situated, the **township county** assessor has the duties and authority described in sections 1 through 8 of this chapter. These duties and authority include effecting the transfer of title to real property and preparing, maintaining, approving, correcting, indexing, and publishing the list or record of, or description of title to, real property. If a court renders a judgment for the partition or transfer of real property located in one (1) of these townships, the clerk of the court shall deliver the transcript to the **township county** assessor.

SECTION 27. IC 6-1.1-5-9.1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 9.1. (a) Except:

(1) as provided in subsection (b); and

(2) for civil townships described in section 9 of this chapter; and notwithstanding the provisions of sections 1 through 8 of this chapter, for all other civil townships having a population of thirty-five thousand (35,000) or more, for a civil township that falls below a population of thirty-five thousand (35,000) at a federal decennial census that takes effect after December 31, 2001, and for all other civil townships in which a city of the second class is located, the township assessor shall make the real property lists and the plats described in sections 1 through 8 of this chapter.

(b) In a civil township that attains a population of thirty-five thousand (35,000) or more at a federal decennial census that takes effect after December 31, 2001, the county auditor shall make the real property lists and the plats described in sections 1 through 8 of this chapter unless the township assessor determines to assume the duty from the county auditor.

(c) With respect to townships in which the **township county** assessor makes the real property lists and the plats described in sections 1 through 8 of this chapter, the county auditor shall, upon completing the tax duplicate, return the real property lists to the **township county** assessor for the continuation of the lists by the assessor. If land located in one (1) of these townships is platted, the plat shall be presented to the **township county** assessor instead of the county auditor, before it is recorded. The **township county** assessor shall then enter the lots or parcels described in the plat on the tax lists

C  
o  
p  
y



in lieu of the land included in the plat.

SECTION 28. IC 6-1.1-5-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 10. If a ~~township~~ **county** assessor believes that it is necessary to obtain an accurate description of a specific lot or tract which is situated in the ~~township he serves,~~ **county**, the assessor may demand in writing that the owner or occupant of the lot or tract deliver all the title papers in ~~his~~ **the** possession **of the owner or occupant** to the assessor for his examination. If the person fails to deliver the title papers to the **county** assessor at ~~his~~ **the assessor's** office within five (5) days after the demand is mailed, the assessor shall prepare the real property list according to the best information ~~he can obtain.~~ **available.** For that purpose, the **county** assessor may examine, under oath, any person whom ~~he~~ **the assessor** believes has any knowledge relevant to the issue.

SECTION 29. IC 6-1.1-5-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 11. (a) In order to determine the quantity of land contained within a tract, ~~an~~ **a county** assessor shall follow the rules contained in this section.

(b) Except as provided in subsection (c) of this section, the **county** assessor shall recognize the quantity of land stated in a deed or patent if the owner or person in whose name the property is listed holds the land by virtue of:

- (1) a deed from another party or from this state; or
- (2) a patent from the United States.

(c) If land described in subsection (b) of this section has been surveyed subsequent to the survey made by the United States and if the ~~township~~ **county** assessor is satisfied that the tract contains a different quantity of land than is stated in the patent or deed, the assessor shall recognize the quantity of land stated in the subsequent survey.

(d) Except as provided in subsection (e) of this section, a ~~township~~ **county** assessor shall demand in writing that the owner of a tract, or person in whose name the land is listed, have the tract surveyed and that ~~he~~ **the person** return a sworn certificate from the surveyor stating the quantity of land contained in the tract if:

- (1) the land was within the French or Clark's grant; and
- (2) the party holds the land under original entry or survey.

If the party fails to return the certificate within thirty (30) days after the demand is mailed, the **county** assessor shall have a surveyor survey the land. The expenses of a survey made under this subsection shall be paid for from the county treasury. However, the county auditor shall charge the survey expenses against the land, and the expenses shall be

C  
o  
p  
y



1 collected with the taxes payable in the succeeding year.

2 (e) A ~~township~~ **county** assessor shall not demand a survey of land  
3 described in subsection (d) of this section if:

4 (1) the owner or holder of the land has previously had it surveyed  
5 and presents to the assessor a survey certificate which states the  
6 quantity of land; or

7 (2) the assessor is satisfied from other competent evidence, given  
8 under oath or affirmation, that the quantity of land stated in the  
9 original survey is correct.

10 SECTION 30. IC 6-1.1-5-14, AS AMENDED BY P.L.88-2005,  
11 SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
12 JANUARY 1, 2008]: Sec. 14. ~~Not later than May 15, each assessing~~  
13 ~~official shall prepare and deliver to the county assessor a detailed list~~  
14 ~~of the real property listed for taxation in the township.~~ On or before  
15 July 1 of each year, each county assessor shall, under oath, prepare and  
16 deliver to the county auditor a detailed list of the real property listed for  
17 taxation in the county. ~~In a county with an elected township assessor in~~  
18 ~~every township the township assessor shall prepare the real property~~  
19 ~~list.~~ The assessing officials and the county assessor shall prepare the  
20 list in the form prescribed by the department of local government  
21 finance. ~~The township assessor shall ensure that the county assessor~~  
22 ~~has full access to the assessment records maintained by the township~~  
23 ~~assessor.~~

24 SECTION 31. IC 6-1.1-5-15, AS AMENDED BY P.L.228-2005,  
25 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
26 JANUARY 1, 2008]: Sec. 15. (a) Except as provided in subsection (b),  
27 before an owner of real property demolishes, structurally modifies, or  
28 improves it at a cost of more than five hundred dollars (\$500) for  
29 materials or labor, or both, the owner or the owner's agent shall file  
30 with the area plan commission or the county assessor in the county  
31 where the property is located an assessment registration notice on a  
32 form prescribed by the department of local government finance.

33 (b) If the owner of the real property or the person performing the  
34 work for the owner is required to obtain a permit from an agency or  
35 official of the state or a political subdivision for the demolition,  
36 structural modification, or improvement, the owner or the person  
37 performing the work for the owner is not required to file an assessment  
38 registration notice.

39 (c) Each state or local government official or agency shall, before  
40 the tenth day of each month, deliver a copy of each permit described in  
41 subsection (b) to the assessor of the county in which the real property  
42 to be improved is situated. Each area plan commission shall, before the

C  
o  
p  
y





tenth day of each month, deliver a copy of each assessment registration notice described in subsection (a) to the assessor of the county where the property is located.

~~(d)~~ Before the last day of each month, the county assessor shall distribute a copy of each assessment registration notice filed under subsection (a) or permit received under subsection (b) to the assessor of the township in which the real property to be demolished, modified, or improved is situated.

~~(e)~~ **(d)** A fee of five dollars (\$5) shall be charged by the area plan commission or the county assessor for the filing of the assessment registration notice. All fees collected under this subsection shall be deposited in the county ~~property reassessment~~ **general** fund.

~~(f)~~ **(e)** A ~~township~~ or county assessor shall immediately notify the county treasurer if the assessor discovers property that has been improved or structurally modified at a cost of more than five hundred dollars (\$500) and the owner of the property has failed to obtain the required building permit or to file an assessment registration notice.

~~(g)~~ **(f)** Any person who fails to:

(1) file the registration notice required by subsection (a); or

(2) obtain a building permit described in subsection (b);

before demolishing, structurally modifying, or improving real property is subject to a civil penalty of one hundred dollars (\$100). The county treasurer shall include the penalty on the person's property tax statement and collect it in the same manner as delinquent personal property taxes under IC 6-1.1-23. However, if a person files a late registration notice, the person shall pay the fee, if any, and the penalty to the area plan commission or the county assessor at the time the person files the late registration notice.

SECTION 32. IC 6-1.1-5-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 16. If an owner of existing contiguous parcels makes a written request that includes a legal description of the existing contiguous parcels sufficient for the ~~assessing official~~ **county assessor** to identify each parcel and the area of all contiguous parcels, the ~~assessing official~~ **county assessor** shall consolidate more than one (1) existing contiguous parcel into a single parcel to the extent that the existing contiguous parcels are in a single taxing district and the same section. For existing contiguous parcels in more than one (1) taxing district or one (1) section, the ~~assessing official~~ **county assessor** shall, upon written request by the owner, consolidate the existing contiguous parcels in each taxing district and each section into a single parcel. ~~An assessing official~~ **The county assessor** shall consolidate more than one (1) existing contiguous parcel

C  
o  
p  
y



1 into a single parcel if the ~~assessing official~~ **assessor** has knowledge that  
 2 an improvement to the real property is located on or otherwise  
 3 significantly affects the parcels.

4 SECTION 33. IC 6-1.1-5.5-3, AS AMENDED BY P.L.228-2005,  
 5 SECTION 16, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 6 JANUARY 1, 2008]: Sec. 3. (a) For purposes of this section, "party"  
 7 includes:

8 (1) a seller of property that is exempt under the seller's ownership;  
 9 or

10 (2) a purchaser of property that is exempt under the purchaser's  
 11 ownership;

12 from property taxes under IC 6-1.1-10.

13 (b) Before filing a conveyance document with the county auditor  
 14 under IC 6-1.1-5-4, all the parties to the conveyance must complete and  
 15 sign a sales disclosure form as prescribed by the department of local  
 16 government finance under section 5 of this chapter. All the parties may  
 17 sign one (1) form, or if all the parties do not agree on the information  
 18 to be included on the completed form, each party may sign and file a  
 19 separate form.

20 (c) ~~Except as provided in subsection (d);~~ The auditor shall forward  
 21 each sales disclosure form to the county assessor. The county assessor  
 22 shall retain the forms for five (5) years. The county assessor shall  
 23 forward the sales disclosure form data to the department of local  
 24 government finance and the legislative services agency:

25 (1) before January 1, 2005, in an electronic format, if possible;  
 26 and

27 (2) after December 31, 2004, in an electronic format specified  
 28 jointly by the department of local government finance and the  
 29 legislative services agency.

30 ~~The county assessor shall forward a copy of the sales disclosure forms~~  
 31 ~~to the township assessors in the county:~~ The forms may be used by the  
 32 county ~~assessing officials;~~ **assessor**, the department of local  
 33 government finance, and the legislative services agency for ~~the~~  
 34 ~~purposes established in IC 6-1.1-4-13.6;~~ sales ratio studies,  
 35 equalization, adoption of rules under IC 6-1.1-31-3 and IC 6-1.1-31-6,  
 36 and any other authorized purpose.

37 ~~(d) In a county containing a consolidated city, the auditor shall~~  
 38 ~~forward the sales disclosure form to the appropriate township assessor:~~  
 39 ~~The township assessor shall forward the sales disclosure form to the~~  
 40 ~~department of local government finance and the legislative services~~  
 41 ~~agency:~~

42 ~~(1) before January 1, 2005, in an electronic format, if possible;~~

C  
o  
p  
y



and

(2) after December 31, 2004, in an electronic format specified jointly by the department of local government finance and the legislative services agency.

The forms may be used by the county assessing officials; the department of local government finance; and the legislative services agency for the purposes established in IC 6-1.1-4-13.6; sales ratio studies; equalization; adoption of rules under IC 6-1.1-31-3 and IC 6-1.1-31-6; and any other authorized purpose.

(c) (d) If a sales disclosure form includes the telephone number or Social Security number of a party, the telephone number or Social Security number is confidential.

SECTION 34. IC 6-1.1-5.5-4.5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4.5. (a) The fiscal body of each county shall establish a sales disclosure fund. The county auditor shall deposit into the fund the money received under section 4 of this chapter. Money in the sales disclosure fund may be expended only for:

- (1) administration of this chapter;
- (2) verification of the information contained on a sales disclosure form;
- (3) training of assessing officials **and county assessors**; or
- (4) purchasing computer software or hardware for a property record system.

(b) The county fiscal body shall appropriate the money in the sales disclosure fund for the purposes stated in subsection (a) based on requests by assessing officials in the county.

SECTION 35. IC 6-1.1-5.5-4.7, AS AMENDED BY P.L.228-2005, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4.7. (a) The assessment training and administration fund is established for the purpose of receiving fees deposited under section 4 of this chapter. Money in the fund may be used by:

- (1) the department of local government finance to cover expenses incurred in the development and administration of programs for the training of **assessment assessing** officials, **county assessors**, and employees of the department, including the examination and certification program required by IC 6-1.1-35.5; or
- (2) the Indiana board to:
  - (A) conduct appeal activities; or
  - (B) pay for appeal services.

(b) The treasurer of state shall invest the money in the fund not

C  
o  
p  
y



1 currently needed to meet the obligations of the fund in the same  
2 manner as other public money may be invested.

3 (c) Money in the fund at the end of a state fiscal year does not revert  
4 to the state general fund.

5 SECTION 36. IC 6-1.1-5.5-12 IS AMENDED TO READ AS  
6 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 12. (a) A party to  
7 a conveyance who:

8 (1) is required to file a sales disclosure form under this chapter;  
9 and

10 (2) fails to file a sales disclosure form at the time and in the  
11 manner required by this chapter;  
12 is subject to a penalty in the amount determined under subsection (b).

13 (b) The amount of the penalty under subsection (a) is the greater of:

14 (1) one hundred dollars (\$100); or

15 (2) twenty-five thousandths percent (0.025%) of the sale price of  
16 the real property transferred under the conveyance document.

17 (c) ~~The township assessor in a county containing a consolidated city,~~  
18 ~~or the county assessor in any other county,~~ shall:

19 (1) determine the penalty imposed under this section;

20 (2) assess the penalty to the party to a conveyance; and

21 (3) notify the party to the conveyance that the penalty is payable  
22 not later than thirty (30) days after notice of the assessment.

23 (d) The county auditor shall:

24 (1) collect the penalty imposed under this section;

25 (2) deposit penalty collections as required under section 4 of this  
26 chapter; and

27 (3) notify the county prosecuting attorney of delinquent payments.

28 (e) The county prosecuting attorney shall initiate an action to  
29 recover a delinquent penalty under this section. In a successful action  
30 against a person for a delinquent penalty, the court shall award the  
31 county prosecuting attorney reasonable attorney's fees.

32 SECTION 37. IC 6-1.1-8-24, AS AMENDED BY P.L.88-2005,  
33 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
34 JANUARY 1, 2008]: Sec. 24. (a) Each year a township assessor shall  
35 assess the **part of fixed property that consists of personal property,**  
36 which as of the assessment date of that year is:

37 (1) owned or used by a public utility company; and

38 (2) located in the township the township assessor serves.

39 (b) The township assessor shall determine the assessed value of **the**  
40 **part of fixed property that consists of personal property.** The  
41 township assessor shall certify the assessed values to the county  
42 assessor on or before April 1 of the year of assessment. However, in a

C  
o  
p  
y



1 county with an elected township assessor in every township the  
 2 township assessor shall certify the list to the department of local  
 3 government finance. The county assessor shall:

4 (1) review the assessed values; and ~~shall~~

5 (2) certify the assessed values to the department of local  
 6 government finance on or before April 10 of the year of  
 7 assessment.

8 SECTION 38. IC 6-1.1-8-24.5 IS ADDED TO THE INDIANA  
 9 CODE AS A NEW SECTION TO READ AS FOLLOWS  
 10 [EFFECTIVE JANUARY 1, 2008]: **Sec. 24.5. A public utility**  
 11 **company shall file a real property return with the county auditor**  
 12 **as required by IC 6-1.1-4, except that the company shall file the**  
 13 **return before March 15 of each year. The county assessor shall:**

14 (1) review the real property returns; and

15 (2) certify the assessed values to the department of local  
 16 government finance on or before April 10 of the year of  
 17 assessment.

18 SECTION 39. IC 6-1.1-9-1 IS AMENDED TO READ AS  
 19 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 1. If:

20 (1) a ~~township assessor~~; county assessor or county property tax  
 21 assessment board of appeals believes that any taxable tangible  
 22 property; or

23 (2) a township assessor believes that any personal property;

24 has been omitted from or undervalued on the assessment rolls or the tax  
 25 duplicate for any year or years, the official or board shall give written  
 26 notice under IC 6-1.1-3-20 or IC 6-1.1-4-22 of the assessment or  
 27 increase in assessment. The notice shall contain a general description  
 28 of the property and a statement describing the taxpayer's right to a  
 29 preliminary conference and to a review with the county property tax  
 30 assessment board of appeals under IC 6-1.1-15-1.

31 SECTION 40. IC 6-1.1-11-3 IS AMENDED TO READ AS  
 32 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 3. (a) Subject to  
 33 subsections (e) and (f), an owner of tangible property who wishes to  
 34 obtain an exemption from property taxation shall file a certified  
 35 application in duplicate with the county assessor of the county in which  
 36 the property that is the subject of the exemption is located. The  
 37 application must be filed annually on or before May 15 on forms  
 38 prescribed by the department of local government finance. Except as  
 39 provided in sections 1, 3.5, and 4 of this chapter, the application  
 40 applies only for the taxes imposed for the year for which the  
 41 application is filed.

42 (b) The authority for signing an exemption application may not be

C  
o  
p  
y



delegated by the owner of the property to any other person except by an executed power of attorney.

(c) An exemption application which is required under this chapter shall contain the following information:

(1) A description of the property claimed to be exempt in sufficient detail to afford identification.

(2) A statement showing the ownership, possession, and use of the property.

(3) The grounds for claiming the exemption.

(4) The full name and address of the applicant.

(5) For the year that ends on the assessment date of the property, identification of:

(A) each part of the property used or occupied; and

(B) each part of the property not used or occupied;

for one (1) or more exempt purposes under IC 6-1.1-10 during the time the property is used or occupied.

(6) Any additional information which the department of local government finance may require.

(d) A person who signs an exemption application shall attest in writing and under penalties of perjury that, to the best of the person's knowledge and belief, a predominant part of the property claimed to be exempt is not being used or occupied in connection with a trade or business that is not substantially related to the exercise or performance of the organization's exempt purpose.

(e) An owner must file with an application for exemption of real property under subsection (a) or section 5 of this chapter a copy of the **township county** assessor's record kept under IC 6-1.1-4-25(a) that shows the calculation of the assessed value of the real property for the assessment date for which the exemption is claimed. ~~Upon receipt of the exemption application, the county assessor shall examine that record and determine if the real property for which the exemption is claimed is properly assessed. If the county assessor determines that the real property is not properly assessed, the county assessor shall direct the township assessor of the township in which the real property is located to:~~

~~(1) properly assess the real property; and~~

~~(2) notify the county assessor and county auditor of the proper assessment.~~

(f) If the county assessor determines that the applicant has not filed with an application for exemption a copy of the record referred to in subsection (e), the county assessor shall notify the applicant in writing of that requirement. The applicant then has thirty (30) days after the

C  
o  
p  
y



1 date of the notice to comply with that requirement. The county property  
 2 tax assessment board of appeals shall deny an application described in  
 3 this subsection if the applicant does not comply with that requirement  
 4 within the time permitted under this subsection.

5 SECTION 41. IC 6-1.1-12-19 IS AMENDED TO READ AS  
 6 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 19. The deduction  
 7 from assessed value provided by section 18 of this chapter is first  
 8 available in the year in which the increase in assessed value resulting  
 9 from the rehabilitation occurs and shall continue for the following four  
 10 (4) years. In the sixth (~~6th~~) year, the county auditor shall add the  
 11 amount of the deduction to the assessed value of the real property. ~~A~~  
 12 ~~general reassessment of real property which occurs within the five (5)~~  
 13 ~~year period of the deduction does not affect the amount of the~~  
 14 ~~deduction.~~

15 SECTION 42. IC 6-1.1-12-21 IS AMENDED TO READ AS  
 16 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 21. When real  
 17 property is reassessed because it has been rehabilitated, the ~~assessing~~  
 18 ~~official county assessor~~ who, or the county property tax assessment  
 19 board of appeals which, makes the reassessment shall give the owner  
 20 notice of the property tax deductions provided by sections 18 and 22 of  
 21 this chapter. The ~~official county assessor~~ or county property tax  
 22 assessment board of appeals shall attach the notice to the reassessment  
 23 notice required by IC 6-1.1-4-22.

24 SECTION 43. IC 6-1.1-12-23 IS AMENDED TO READ AS  
 25 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 23. The deduction  
 26 from assessed value provided by section 22 of this chapter is first  
 27 available after the first assessment date following the rehabilitation and  
 28 shall continue for the taxes first due and payable in the following five  
 29 (5) years. In the sixth (~~6th~~) year, the county auditor shall add the  
 30 amount of the deduction to the assessed value of the property. ~~Any~~  
 31 ~~general reassessment of real property which occurs within the five (5)~~  
 32 ~~year period of the deduction does not affect the amount of the~~  
 33 ~~deduction.~~

34 SECTION 44. IC 6-1.1-12.1-4 IS AMENDED TO READ AS  
 35 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4. (a) Except as  
 36 provided in section 2(i)(4) of this chapter, the amount of the deduction  
 37 which the property owner is entitled to receive under section 3 of this  
 38 chapter for a particular year equals the product of:

- 39 (1) the increase in the assessed value resulting from the
- 40 rehabilitation or redevelopment; multiplied by
- 41 (2) the percentage prescribed in the table set forth in subsection
- 42 (d).

C  
o  
p  
y



(b) The amount of the deduction determined under subsection (a) shall be adjusted in accordance with this subsection in the following circumstances:

(1) If a general reassessment of real property occurs within the particular period of the deduction, the amount determined under subsection (a)(1) shall be adjusted to reflect the percentage increase or decrease in assessed valuation that resulted from the general reassessment.

(2) If an appeal of an assessment is approved that results in a reduction of the assessed value of the redeveloped or rehabilitated property, the amount of any deduction **determined under subsection (a)** shall be adjusted to reflect the percentage decrease that resulted from the appeal.

The department of local government finance shall adopt rules under IC 4-22-2 to implement this subsection.

(c) Property owners who had an area designated an urban development area pursuant to an application filed prior to January 1, 1979, are only entitled to the deduction for the first through the fifth years as provided in subsection (d)(10). In addition, property owners who are entitled to a deduction under this chapter pursuant to an application filed after December 31, 1978, and before January 1, 1986, are entitled to a deduction for the first through the tenth years, as provided in subsection (d)(10).

(d) The percentage to be used in calculating the deduction under subsection (a) is as follows:

(1) For deductions allowed over a one (1) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%

(2) For deductions allowed over a two (2) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	50%

(3) For deductions allowed over a three (3) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	66%
3rd	33%

(4) For deductions allowed over a four (4) year period:

YEAR OF DEDUCTION	PERCENTAGE
1st	100%
2nd	75%
3rd	50%

C  
o  
p  
y





1	4th	25%
2	(5) For deductions allowed over a five (5) year period:	
3	YEAR OF DEDUCTION	PERCENTAGE
4	1st	100%
5	2nd	80%
6	3rd	60%
7	4th	40%
8	5th	20%
9	(6) For deductions allowed over a six (6) year period:	
10	YEAR OF DEDUCTION	PERCENTAGE
11	1st	100%
12	2nd	85%
13	3rd	66%
14	4th	50%
15	5th	34%
16	6th	17%
17	(7) For deductions allowed over a seven (7) year period:	
18	YEAR OF DEDUCTION	PERCENTAGE
19	1st	100%
20	2nd	85%
21	3rd	71%
22	4th	57%
23	5th	43%
24	6th	29%
25	7th	14%
26	(8) For deductions allowed over an eight (8) year period:	
27	YEAR OF DEDUCTION	PERCENTAGE
28	1st	100%
29	2nd	88%
30	3rd	75%
31	4th	63%
32	5th	50%
33	6th	38%
34	7th	25%
35	8th	13%
36	(9) For deductions allowed over a nine (9) year period:	
37	YEAR OF DEDUCTION	PERCENTAGE
38	1st	100%
39	2nd	88%
40	3rd	77%
41	4th	66%
42	5th	55%

**C**  
**O**  
**P**  
**Y**



1	6th	44%
2	7th	33%
3	8th	22%
4	9th	11%
5	(10) For deductions allowed over a ten (10) year period:	
6	YEAR OF DEDUCTION	PERCENTAGE
7	1st	100%
8	2nd	95%
9	3rd	80%
10	4th	65%
11	5th	50%
12	6th	40%
13	7th	30%
14	8th	20%
15	9th	10%
16	10th	5%

17 SECTION 45. IC 6-1.1-12.4-2, AS ADDED BY P.L.193-2005,  
 18 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 19 JANUARY 1, 2008]: Sec. 2. (a) For purposes of this section, an  
 20 increase in the assessed value of real property is determined in the  
 21 same manner that an increase in the assessed value of real property is  
 22 determined for purposes of IC 6-1.1-12.1.

23 (b) This subsection applies only to a development, redevelopment,  
 24 or rehabilitation that is first assessed after March 1, 2005, and before  
 25 March 2, 2009. Except as provided in subsection ~~(h)~~ (g) and sections  
 26 4, 5, and 8 of this chapter, an owner of real property that:

- 27 (1) develops, redevelops, or rehabilitates the real property; and  
 28 (2) creates or retains employment from the development,  
 29 redevelopment, or rehabilitation;

30 is entitled to a deduction from the assessed value of the real property.

31 (c) The deduction under this section is first available in the year in  
 32 which the increase in assessed value resulting from the development,  
 33 redevelopment, or rehabilitation occurs and continues for the following  
 34 two (2) years. The amount of the deduction that a property owner may  
 35 receive with respect to real property located in a county for a particular  
 36 year equals the lesser of:

- 37 (1) two million dollars (\$2,000,000); or

- 38 (2) the product of:

39 (A) the increase in assessed value resulting from the  
 40 development, rehabilitation, or redevelopment; multiplied by

41 (B) the percentage from the following table:

42 YEAR OF DEDUCTION PERCENTAGE

C  
o  
p  
y



1	1st	75%
2	2nd	50%
3	3rd	25%

(d) A property owner that qualifies for the deduction under this section must file a notice to claim the deduction in the manner prescribed by the department of local government finance under rules adopted by the department of local government finance under IC 4-22-2 to implement this chapter. The township assessor shall:

- (1) inform the county auditor of the real property eligible for the deduction as contained in the notice filed by the taxpayer under this subsection; and
- (2) inform the county auditor of the deduction amount.

(e) The county auditor shall:

- (1) make the deductions; and
- (2) notify the county property tax assessment board of appeals of all deductions approved;

under this section.

~~(f) The amount of the deduction determined under subsection (c)(2) is adjusted to reflect the percentage increase or decrease in assessed valuation that results from:~~

- ~~(1) a general reassessment of real property under IC 6-1.1-4-4; or~~
- ~~(2) an annual adjustment under IC 6-1.1-4-4.5.~~

~~(g) (f)~~ If an appeal of an assessment is approved that results in a reduction of the assessed value of the real property, the amount of the deduction under this section is adjusted to reflect the percentage decrease that results from the appeal.

~~(h) (g)~~ The deduction under this section does not apply to a facility listed in IC 6-1.1-12.1-3(e).

**SECTION 46. IC 6-1.1-14-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 2. Each county assessor shall transmit to the department of local government finance before the time prescribed by the department:**

- (1) each business personal property return which that the township assessor is required to deliver to the county assessor under IC 6-1.1-3-18(b);**
- (2) each real property return that is filed with the county assessor under IC 6-1.1-4-3.1; and**
- (3) any supporting data supplied by the taxpayer with the a return**  
**The return and supporting data shall be transmitted to the department of local government finance on or before the time prescribed by the department: referred to in subdivision (1) or (2).**

C  
o  
p  
y



SECTION 47. IC 6-1.1-14-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 3. Each year the department of local government finance:

(1) shall review the business personal property tax returns of taxpayers who report a total assessed value of fifteen thousand dollars (\$15,000) or more; and

(2) may review any real property return transmitted to the department under section 2 of this chapter.

The department of local government finance shall determine the returns in which the assessment appears to be improper.

SECTION 48. IC 6-1.1-15-1, AS AMENDED BY P.L.199-2005, SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 1. (a) A taxpayer may obtain a review by the county property tax assessment board of appeals of a county or township official's action with respect to the assessment of the taxpayer's tangible property if the official's action requires the giving of notice to the taxpayer. At the time that notice is given to the taxpayer, the taxpayer shall also be informed in writing of:

(1) the opportunity for review under this section, including an informal preliminary conference with the county or township official referred to in this subsection; and

(2) the procedures the taxpayer must follow in order to obtain review under this section.

(b) In order to appeal a current assessment and have a change in the assessment effective for the most recent assessment date, the taxpayer must request in writing a preliminary conference with the county or township official referred to in subsection (a):

(1) not later than forty-five (45) days after notice of a change in the assessment is given to the taxpayer; or

(2) on or before May 10 of that year;

whichever is later. The preliminary conference required under this subsection is a prerequisite to a review by the county property tax assessment board of appeals under subsection (i).

(c) A change in an assessment made as a result of an appeal filed:

(1) in the same year that notice of a change in the assessment is given to the taxpayer; and

(2) after the time prescribed in subsection (b);

becomes effective for the next assessment date.

(d) A taxpayer may appeal a current real property assessment in a year even if the taxpayer has not received a notice of assessment in the year. If an appeal is filed on or before May 10 of a year in which the taxpayer has not received notice of assessment, a change in the

C  
o  
p  
y



assessment resulting from the appeal is effective for the most recent assessment date. If the appeal is filed after May 10, the change becomes effective for the next assessment date.

(e) The written request for a preliminary conference that is required under subsection (b) must include the following information:

- (1) The name of the taxpayer.
- (2) The address and parcel or key number of the property.
- (3) The address and telephone number of the taxpayer.

(f) The county or township official referred to in subsection (a) shall, not later than thirty (30) days after the receipt of a written request for a preliminary conference, attempt to hold a preliminary conference with the taxpayer to resolve as many issues as possible by:

- (1) discussing the specifics of the taxpayer's ~~reassessment;~~ **assessment;**
- (2) ~~reviewing the taxpayer's property record card;~~
- (3) (2) explaining to the taxpayer how the ~~reassessment~~ **assessment** was determined;
- (4) (3) providing to the taxpayer information about the statutes, rules, and guidelines that govern the determination of the ~~reassessment;~~ **assessment;**
- (5) (4) noting and considering objections of the taxpayer;
- (6) (5) considering all errors alleged by the taxpayer; and
- (7) (6) otherwise educating the taxpayer about:
  - (A) the taxpayer's ~~reassessment;~~ **assessment;**
  - (B) the ~~reassessment~~ **assessment** process; and
  - (C) the ~~reassessment~~ **assessment** appeal process.

Not later than ten (10) days after the conference, the county or township official referred to in subsection (a) shall forward to the county auditor and the county property tax assessment board of appeals the results of the conference on a form prescribed by the department of local government finance that must be completed and signed by the taxpayer and the official. The official and the taxpayer shall each retain a copy of the form for their records.

(g) The form submitted to the county property tax assessment board of appeals under subsection (f) must specify the following:

- (1) ~~The physical characteristics of the property in issue that bear on the assessment determination.~~
- (2) (1) All other facts relevant to the assessment determination.
- (3) (2) A list of the reasons the taxpayer believes that the assessment determination by the county or township official referred to in subsection (a) is incorrect.
- (4) (3) An indication of the agreement or disagreement by the

C  
o  
p  
y



official with each item listed under subdivision ~~(3)~~ **(2)**.

~~(5)~~ **(4)** The reasons the official believes that the assessment determination is correct.

(h) If after the conference there are no items listed on the form submitted to the county property tax assessment board of appeals under subsection (f) on which there is disagreement:

(1) the county or township official referred to in subsection (a) shall give notice to the taxpayer, the county property tax assessment board of appeals, and the county assessor of the assessment in the amount agreed to by the taxpayer and the official; and

(2) the county property tax assessment board of appeals may reserve the right to change the assessment under IC 6-1.1-13.

(i) If after the conference there are items listed in the form submitted under subsection (f) on which there is disagreement, the county property tax assessment board of appeals shall hold a hearing. The taxpayer and county or township official whose original determination is under review are parties to the proceeding before the board of appeals. Except as provided in ~~subsections~~ **subsection (k), and** ~~(t)~~, the hearing must be held not later than ninety (90) days after the official's receipt of the taxpayer's written request for a preliminary conference under subsection (b). The taxpayer may present the taxpayer's reasons for disagreement with the assessment. The county or township official referred to in subsection (a) must present the basis for the assessment decision on these items to the board of appeals at the hearing and the reasons the taxpayer's appeal should be denied on those items. The board of appeals shall have a written record of the hearing and prepare a written statement of findings and a decision on each item not later than sixty (60) days after the hearing, except as provided in ~~subsections~~ **subsection (k), and (t)**.

(j) If the township assessor does not attempt to hold a preliminary conference, the taxpayer may file a request in writing with the county assessor for a hearing before the property tax assessment board of appeals. If the board determines that the county or township official referred to in subsection (a) did not attempt to hold a preliminary conference, the board shall hold a hearing. The taxpayer and the county or township official whose original determination is under review are parties to the proceeding before the board of appeals. The hearing must be held not later than ninety (90) days after the receipt by the board of appeals of the taxpayer's hearing request under this subsection. The requirements of subsection (i) with respect to:

(1) participation in the hearing by the taxpayer and the township

**C  
o  
p  
y**



assessor or county assessor; and

(2) the procedures to be followed by the county board; apply to a hearing held under this subsection.

(k) This subsection applies to a county having a population of more than three hundred thousand (300,000). In the case of a petition filed after December 31, 2000, the county property tax assessment board of appeals shall:

(1) hold its hearing not later than one hundred eighty (180) days instead of ninety (90) days after the filing of the petition; and

(2) have a written record of the hearing and prepare a written statement of findings and a decision on each item not later than one hundred twenty (120) days after the hearing.

~~(l)~~ This subsection applies to a county having a population of three hundred thousand (300,000) or less. With respect to an appeal of a real property assessment that takes effect on the assessment date on which a general reassessment of real property takes effect under IC 6-1.1-4-4, the county property tax assessment board of appeals shall:

~~(1)~~ hold its hearing not later than one hundred eighty (180) days instead of ninety (90) days after the filing of the petition; and

~~(2)~~ have a written record of the hearing and prepare a written statement of findings and a decision on each item not later than one hundred twenty (120) days after the hearing.

~~(m)~~ (l) The county property tax assessment board of appeals:

(1) may not require a taxpayer to file documentary evidence or summaries of statements of testimonial evidence before the hearing required under subsection (i) or (j); and

(2) may amend the form submitted under subsection (f) if the board determines that the amendment is warranted.

~~(n)~~ (m) Upon receiving a request for a preliminary conference under subsection (b), the county or township official referred to in subsection (a) shall notify the county auditor in writing that the assessment is under appeal. With respect to an appeal of the assessment of real property or personal property filed after June 30, 2005, the notice must include the appellant's name and address, the assessed value of the appealed items for the assessment date immediately preceding the assessment date for which the appeal was filed, and the assessed value of the appealed items on the most recent assessment date. If the county auditor determines that the assessed value of the appealed items constitutes at least one percent (1%) of the total gross certified assessed value of a particular taxing unit for the assessment date immediately preceding the assessment date for which the appeal was filed, the county auditor shall send a copy of the notice to the affected taxing

C  
o  
p  
y



unit. Failure of the county auditor to send a copy of the notice to the affected taxing unit does not affect the validity of the appeal or delay the appeal.

**(n) The county assessor is recused from any action the county property tax assessment board of appeals takes with respect to an appeal under this section of a determination by the county assessor.**

**(o) A member of a county property tax assessment board of appeals is recused from any action the board takes with respect to an appeal under this section of a determination by the member.**

SECTION 49. IC 6-1.1-15-4, AS AMENDED BY P.L.199-2005, SECTION 9, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4. (a) After receiving a petition for review which is filed under section 3 of this chapter, the Indiana board shall conduct a hearing at its earliest opportunity. The Indiana board may:

(1) assign:

(A) full;

(B) limited; or

(C) no;

evidentiary value to the assessed valuation of tangible property determined by stipulation submitted as evidence of a comparable sale; and

(2) correct any errors that may have been made, and adjust the assessment in accordance with the correction.

(b) If the Indiana board conducts a site inspection of the property as part of its review of the petition, the Indiana board shall give notice to all parties of the date and time of the site inspection. The Indiana board is not required to assess the property in question. The Indiana board shall give notice of the date fixed for the hearing, by mail, to the taxpayer and to the appropriate township assessor, county assessor, and county auditor. With respect to an appeal of the assessment of real property or personal property filed after June 30, 2005, the notice must include the following:

(1) The action of the county property tax assessment board of appeals with respect to the appealed items.

(2) A statement that a taxing unit receiving the notice from the county auditor under subsection (c) may:

(A) attend the hearing; and

(B) offer testimony.

A taxing unit that receives a notice from the county auditor under subsection (c) is not a party to the appeal. The Indiana board shall give these notices at least thirty (30) days before the day fixed for the hearing. The property tax assessment board of appeals that made the

C  
o  
p  
y





determination under appeal under this section may, with the approval of the county executive, file an amicus curiae brief in the review proceeding under this section. The expenses incurred by the property tax assessment board of appeals in filing the amicus curiae brief shall be paid from the ~~property reassessment~~ **county general** fund. ~~under IC 6-1.1-4-27.5.~~ The executive of a taxing unit may file an amicus curiae brief in the review proceeding under this section if the property whose assessment is under appeal is subject to assessment by that taxing unit.

(c) If, after receiving notice of a hearing under subsection (b), the county auditor determines that the assessed value of the appealed items constitutes at least one percent (1%) of the total gross certified assessed value of a particular taxing unit for the assessment date immediately preceding the assessment date for which the appeal was filed, the county auditor shall send a copy of the notice to the affected taxing unit. Failure of the county auditor to send a copy of the notice to the affected taxing unit does not affect the validity of the appeal or delay the appeal.

(d) If a petition for review does not comply with the Indiana board's instructions for completing the form prescribed under section 3 of this chapter, the Indiana board shall return the petition to the petitioner and include a notice describing the defect in the petition. The petitioner then has thirty (30) days from the date on the notice to cure the defect and file a corrected petition. The Indiana board shall deny a corrected petition for review if it does not substantially comply with the Indiana board's instructions for completing the form prescribed under section 3 of this chapter.

(e) The Indiana board shall prescribe a form for use in processing petitions for review of actions by the county property tax assessment board of appeals. The Indiana board shall issue instructions for completion of the form. The form must require the Indiana board to indicate agreement or disagreement with each item that is:

(1) if the county or township official held a preliminary conference under section 1(f) of this chapter, indicated on the petition submitted under that section by the taxpayer and the official; and

(2) included in the county property tax assessment board of appeals' findings, record, and determination under section 2.1(d) of this chapter.

The form must also require the Indiana board to indicate the issues in dispute and its reasons in support of its resolution of those issues.

(f) After the hearing the Indiana board shall give the petitioner, the

C  
o  
p  
y



township assessor, the county assessor, the county auditor, and the affected taxing units required to be notified under subsection (c):

- (1) notice, by mail, of its final determination;
- (2) a copy of the form completed under subsection (e); and
- (3) notice of the procedures they must follow in order to obtain court review under section 5 of this chapter.

(g) ~~Except as provided in subsection (h);~~ The Indiana board shall conduct a hearing not later than nine (9) months after a petition in proper form is filed with the Indiana board, excluding any time due to a delay reasonably caused by the petitioner.

~~(h) With respect to an appeal of a real property assessment that takes effect on the assessment date on which a general reassessment of real property takes effect under IC 6-1.1-4-4, the Indiana board shall conduct a hearing not later than one (1) year after a petition in proper form is filed with the Indiana board, excluding any time due to a delay reasonably caused by the petitioner.~~

(i) ~~Except as provided in subsection (j);~~ **(h) Subject to subsection (i),** the Indiana board shall make a determination not later than the later of:

- (1) ninety (90) days after the hearing; or
- (2) the date set in an extension order issued by the Indiana board.

~~(j) With respect to an appeal of a real property assessment that takes effect on the assessment date on which a general reassessment of real property takes effect under IC 6-1.1-4-4, the Indiana board shall make a determination not later than the later of:~~

- ~~(1) one hundred eighty (180) days after the hearing; or~~
- ~~(2) the date set in an extension order issued by the Indiana board.~~

~~(k) Except as provided in subsection (p);~~ **(i)** The Indiana board may not extend the final determination date under subsection ~~(i) or (j)~~ **(h)** by more than one hundred eighty (180) days. If the Indiana board fails to make a final determination within the time allowed by this subsection, the entity that initiated the petition may:

- (1) take no action and wait for the Indiana board to make a final determination; or
- (2) petition for judicial review under section 5(g) of this chapter.

~~(j)~~ **(j)** A final determination must include separately stated findings of fact for all aspects of the determination. Findings of ultimate fact must be accompanied by a concise statement of the underlying basic facts of record to support the findings. Findings must be based exclusively upon the evidence on the record in the proceeding and on matters officially noticed in the proceeding. Findings must be based upon a preponderance of the evidence.

C  
o  
p  
y



~~(m)~~ (k) The Indiana board may limit the scope of the appeal to the issues raised in the petition and the evaluation of the evidence presented to the county property tax assessment board of appeals in support of those issues only if all persons participating in the hearing required under subsection (a) agree to the limitation. A person participating in the hearing required under subsection (a) is entitled to introduce evidence that is otherwise proper and admissible without regard to whether that evidence has previously been introduced at a hearing before the county property tax assessment board of appeals.

~~(n)~~ (l) The Indiana board:

(1) may require the parties to the appeal to file not more than five (5) business days before the date of the hearing required under subsection (a) documentary evidence or summaries of statements of testimonial evidence; and

(2) may require the parties to the appeal to file not more than fifteen (15) business days before the date of the hearing required under subsection (a) lists of witnesses and exhibits to be introduced at the hearing.

~~(o)~~ (m) A party to a proceeding before the Indiana board shall provide to another party to the proceeding the information described in subsection ~~(n)~~ (l) if the other party requests the information in writing at least ten (10) days before the deadline for filing of the information under subsection ~~(n)~~ (l).

~~(p)~~ (n) The county assessor may:

(1) appear as an additional party if the notice of appearance is filed before the review proceeding; or

(2) with the approval of the township assessor, represent the township assessor;

in a review proceeding under this section.

~~(q)~~ (o) The Indiana board may base its final determination on a stipulation between the respondent and the petitioner. If the final determination is based on a stipulated assessed valuation of tangible property, the Indiana board may order the placement of a notation on the permanent assessment record of the tangible property that the assessed valuation was determined by stipulation. The Indiana board may:

(1) order that a final determination under this subsection has no precedential value; or

(2) specify a limited precedential value of a final determination under this subsection.

SECTION 50. IC 6-1.1-15-5, AS AMENDED BY P.L.199-2005, SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

C  
o  
p  
y



JANUARY 1, 2008]: Sec. 5. (a) Not later than fifteen (15) days after the Indiana board gives notice of its final determination under section 4 of this chapter to the party or the maximum allowable time for the issuance of a final determination by the Indiana board under section 4 of this chapter expires, a party to the proceeding may request a rehearing before the Indiana board. The Indiana board may conduct a rehearing and affirm or modify its final determination, giving the same notices after the rehearing as are required by section 4 of this chapter. The Indiana board has fifteen (15) days after receiving a petition for a rehearing to determine whether to grant a rehearing. Failure to grant a rehearing not later than fifteen (15) days after receiving the petition shall be treated as a final determination to deny the petition. A petition for a rehearing does not toll the time in which to file a petition for judicial review unless the petition for rehearing is granted. If the Indiana board determines to rehear a final determination, the Indiana board:

(1) may conduct the additional hearings that the Indiana board determines necessary or review the written record without additional hearings; and

(2) shall issue a final determination not later than ninety (90) days after notifying the parties that the Indiana board will rehear the final determination.

If the Indiana board fails to make a final determination within the time allowed under subdivision (2), the entity that initiated the petition for rehearing may take no action and wait for the Indiana board to make a final determination or petition for judicial review under subsection (g).

(b) A person may petition for judicial review of the final determination of the Indiana board regarding the assessment of that person's tangible property. The action shall be taken to the tax court under IC 4-21.5-5. Petitions for judicial review may be consolidated at the request of the appellants if it can be done in the interest of justice. The property tax assessment board of appeals that made the determination under appeal under this section may, with the approval of the county executive, file an amicus curiae brief in the review proceeding under this section. The expenses incurred by the property tax assessment board of appeals in filing the amicus curiae brief shall be paid from the ~~property reassessment county general fund. under IC 6-1.1-4-27.5.~~ In addition, the executive of a taxing unit may file an amicus curiae brief in the review proceeding under this section if the property whose assessment is under appeal is subject to assessment by that taxing unit. The department of local government finance may intervene in an action taken under this subsection if the interpretation

C  
o  
p  
y



of a rule of the department is at issue in the action. A township assessor, county assessor, member of a county property tax assessment board of appeals, or county property tax assessment board of appeals that made the original assessment determination under appeal under this section is a party to the review under this section to defend the determination.

(c) Except as provided in subsection (g), to initiate a proceeding for judicial review under this section, a person must take the action required by subsection (b) not later than:

(1) forty-five (45) days after the Indiana board gives the person notice of its final determination, unless a rehearing is conducted under subsection (a); or

(2) thirty (30) days after the Indiana board gives the person notice under subsection (a) of its final determination, if a rehearing is conducted under subsection (a) or the maximum time elapses for the Indiana board to make a determination under this section.

(d) The failure of the Indiana board to conduct a hearing within the period prescribed in section 4(h) ~~or 4(i)~~ of this chapter does not constitute notice to the person of an Indiana board final determination.

(e) The county executive may petition for judicial review to the tax court in the manner prescribed in this section upon request by the county assessor, the elected township assessor, or an affected taxing unit. If an appeal is taken at the request of an affected taxing unit, the taxing unit shall pay the costs of the appeal.

(f) If the county executive determines upon a request under this subsection to not appeal to the tax court:

(1) the entity described in subsection (b) that made the original determination under appeal under this section may take an appeal to the tax court in the manner prescribed in this section using funds from that entity's budget; and

(2) the petitioner may not be represented by the attorney general in an action described in subdivision (1).

(g) If the maximum time elapses for the Indiana board to give notice of its final determination under subsection (a) or section 4 of this chapter, a person may initiate a proceeding for judicial review by taking the action required by subsection (b) at any time after the maximum time elapses. If:

(1) a judicial proceeding is initiated under this subsection; and

(2) the Indiana board has not issued a determination;  
the tax court shall determine the matter de novo.

SECTION 51. IC 6-1.1-15-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 12. (a) Subject to

C  
o  
p  
y



the limitations contained in subsections (c) and (d), a county auditor shall correct errors which are discovered in the tax duplicate for any one (1) or more of the following reasons:

- (1) The description of the real property was in error.
- (2) The assessment was against the wrong person.
- (3) Taxes on the same property were charged more than one (1) time in the same year.
- (4) There was a mathematical error in computing the taxes or penalties on the taxes.
- (5) There was an error in carrying delinquent taxes forward from one (1) tax duplicate to another.
- (6) The taxes, as a matter of law, were illegal.
- (7) There was a mathematical error in computing an assessment.
- (8) Through an error of omission by any state or county officer the taxpayer was not given credit for an exemption or deduction permitted by law.

(b) The county auditor shall correct an error described under subsection (a)(1), (a)(2), (a)(3), (a)(4), or (a)(5) when the county auditor finds that the error exists.

(c) If the tax is based on an assessment made or determined by the state board of tax commissioners (before the board was abolished) or the department of local government finance, the county auditor shall not correct an error described under subsection (a)(6), (a)(7), or (a)(8) until after the correction is either approved by the department of local government finance or ordered by the tax court.

(d) If the tax is not based on an assessment made or determined by the state board of tax commissioners (before the board was abolished) or the department of local government finance, the county auditor shall correct an error described under subsection (a)(6), (a)(7), or (a)(8) only if the correction is first approved by at least two (2) of the following officials:

- (1) The township assessor.
- (2) the county auditor
- (3) and the county assessor.

If the two (2) of these officials do not approve such a correction, the county auditor shall refer the matter to the county property tax assessment board of appeals for determination. The county property tax assessment board of appeals shall provide a copy of the determination to the taxpayer and to the county auditor.

(e) A taxpayer may appeal a determination of the county property tax assessment board of appeals to the Indiana board for a final administrative determination. An appeal under this section shall be

C  
o  
p  
y



conducted in the same manner as appeals under sections 4 through 8 of this chapter. The Indiana board shall send the final administrative determination to the taxpayer, the county auditor, the county assessor, and the township assessor.

(f) If a correction or change is made in the tax duplicate after it is delivered to the county treasurer, the county auditor shall transmit a certificate of correction to the county treasurer. The county treasurer shall keep the certificate as the voucher for settlement with the county auditor.

(g) A taxpayer that files a personal property tax return under IC 6-1.1-3 may not petition under this section for the correction of an error made by the taxpayer on the taxpayer's personal property tax return. If the taxpayer wishes to correct an error made by the taxpayer on the taxpayer's personal property tax return, the taxpayer must instead file an amended personal property tax return under IC 6-1.1-3-7.5.

(h) A taxpayer that files a statement under IC 6-1.1-8-19 may not petition under this section for the correction of an error made by the taxpayer on the taxpayer's statement. If the taxpayer wishes to correct an error made by the taxpayer on the taxpayer's statement, the taxpayer must instead initiate an objection under IC 6-1.1-8-28.

(i) A taxpayer that files a statement under IC 6-1.1-8-23 may not petition under this section for the correction of an error made by the taxpayer on the taxpayer's statement. If the taxpayer wishes to correct an error made by the taxpayer on the taxpayer's statement, the taxpayer must instead file an amended statement not more than six (6) months after the due date of the statement.

SECTION 52. IC 6-1.1-16-1.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: **Sec. 1.5. (a) Except as provided in section 2 of this chapter, a county assessor, county property tax assessment board of appeals, or member of a county property tax assessment board of appeals may not change the assessed value claimed by a taxpayer on a real property return unless the person or board takes the action and gives the notice required by IC 6-1.1-4-3.6 within the following periods:**

**(1) A county assessor, county property tax assessment board of appeals, or member of a county property tax assessment board of appeals must make a change in the assessed value, including the final determination by the board of an assessment changed by the county assessor, and give the notice of the change on or before the later of:**

C  
o  
p  
y



(A) October 30 of the year for which the assessment is made; or

(B) five (5) months after the date the real property return is filed if the return is filed after May 15 of the year for which the assessment is made.

(2) The department of local government finance must make a preliminary change in the assessed value and give the notice of the change on or before the later of:

(A) October 1 of the year immediately following the year for which the assessment is made; or

(B) sixteen (16) months after the date the real property return is filed if the return is filed after May 15 of the year for which the assessment is made.

(b) Except as provided in section 2 of this chapter, if a county assessor, county property tax assessment board of appeals, or member of a county property tax assessment board of appeals fails to change an assessment and give notice of the change within the time prescribed by this section, the assessed value claimed by the taxpayer on the real property return is final.

(c) This section does not limit the authority of a county auditor to correct errors in a tax duplicate under IC 6-1.1-15-12.

(d) This section does not apply if the taxpayer:

(1) fails to file a real property return that substantially complies with this article and the rules of the department of local government finance; or

(2) files a fraudulent real property return with the intent to evade the payment of property taxes.

(e) A taxpayer may appeal a preliminary determination of the department of local government finance under subsection (a)(2) to the Indiana board. An appeal under this subdivision shall be conducted in the same manner as an appeal under IC 6-1.1-15-4 through IC 6-1.1-15-8. A preliminary determination that is not appealed under this subsection is a final unappealable order of the department of local government finance.

SECTION 53. IC 6-1.1-16-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 2. (a) If a county property tax assessment board of appeals fails to change an assessed value claimed by a taxpayer on a personal property return and give notice of the change within the time prescribed in section 1(a)(2) of this chapter, the township assessor or the county assessor may file a petition for review of the assessment by the Indiana board.

(b) If a county property tax assessment board of appeals fails to

C  
o  
p  
y





1 **change an assessed value claimed by a taxpayer on a real property**  
 2 **return and give notice of the change within the time prescribed in**  
 3 **section 1.5(a)(1) of this chapter, the county assessor may file a**  
 4 **petition for review of the assessment by the Indiana board.**

5 (c) The:

6 (1) township assessor or the county assessor **under subsection**  
 7 **(a); or**

8 **(2) county assessor under subsection (b);**

9 must file the petition for review in the manner provided in  
 10 IC 6-1.1-15-3(c). The ~~time~~ period for filing the petition begins to run  
 11 on the last day that the county board is permitted to act on the  
 12 assessment under section 1(a)(2) **or 1.5(a)(1)** of this chapter as though  
 13 the board acted and gave notice of its action on that day.

14 ~~(b)~~ **(d)** Notwithstanding section 1(a)(3) **or 1.5(a)(2)** of this chapter,  
 15 the department of local government finance shall reassess tangible  
 16 property when an appealed assessment of the property is remanded to  
 17 the board under IC 6-1.1-15-8.

18 SECTION 54. IC 6-1.1-16-3 IS AMENDED TO READ AS  
 19 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 3. (a) If a county  
 20 property tax assessment board of appeals is unable to take action on an  
 21 assessment within the ~~time~~ period prescribed in section 1(a)(2) **or**  
 22 **1.5(a)(1)** of this chapter because the board is no longer in session, the  
 23 board shall file with the department of local government finance a  
 24 written petition requesting permission to conduct a special session for  
 25 the purpose of reviewing the assessment within the required ~~time~~  
 26 period. If the department of local government finance approves the  
 27 petition, **it the department** shall specify:

28 (1) the number of session days granted to the county property tax  
 29 assessment board of appeals; and

30 (2) the termination date of the special session.

31 (b) The county auditor shall pay the expenses and per diem  
 32 allowances resulting from the special session. The county auditor shall  
 33 draw warrants for these items on county funds not otherwise  
 34 appropriated, without further appropriations being required for the  
 35 disbursements.

36 SECTION 55. IC 6-1.1-17-1 IS AMENDED TO READ AS  
 37 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 1. (a) On or  
 38 before August 1 of each year, the county auditor shall send a certified  
 39 statement, under the seal of the board of county commissioners, to the  
 40 fiscal officer of each political subdivision of the county and the  
 41 department of local government finance. The statement shall contain:

42 (1) information concerning the assessed valuation in the political

C  
o  
p  
y



subdivision for the next calendar year;

(2) an estimate of the taxes to be distributed to the political subdivision during the last six (6) months of the current calendar year;

(3) the current assessed valuation as shown on the abstract of charges;

(4) the average growth in assessed valuation in the political subdivision over the preceding three (3) budget years, ~~excluding years in which a general reassessment occurs~~, determined according to procedures established by the department of local government finance; and

(5) any other information at the disposal of the county auditor that might affect the assessed value used in the budget adoption process.

(b) The estimate of taxes to be distributed shall be based on:

(1) the abstract of taxes levied and collectible for the current calendar year, less any taxes previously distributed for the calendar year; and

(2) any other information at the disposal of the county auditor which might affect the estimate.

(c) The fiscal officer of each political subdivision shall present the county auditor's statement to the proper officers of the political subdivision.

SECTION 56. IC 6-1.1-18.5-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 1. As used in this chapter:

"Ad valorem property tax levy for an ensuing calendar year" means the total property taxes imposed by a civil taxing unit for current property taxes collectible in that ensuing calendar year.

"Adopting county" means any county in which the county adjusted gross income tax is in effect.

"Civil taxing unit" means any taxing unit except a school corporation.

"Maximum permissible ad valorem property tax levy for the preceding calendar year" means the civil taxing unit's ad valorem property tax levy for the calendar year immediately preceding the ensuing calendar year, as that levy was determined by the department of local government finance in fixing the civil taxing unit's budget, levy, and rate for that preceding calendar year under IC 6-1.1-17, and after eliminating the effects of temporary excessive levy appeals and temporary adjustments made to the working maximum levy for the calendar year immediately preceding the ensuing calendar year, as

C  
o  
p  
y



determined by the department of local government finance.

"Taxable property" means all tangible property that is subject to the tax imposed by this article and is not exempt from the tax under IC 6-1.1-10 or any other law. For purposes of sections 2 and 3 of this chapter, the term "taxable property" is further defined in section 6 of this chapter.

~~"Unadjusted assessed value" means the assessed value of a civil taxing unit as determined by local assessing officials and the department of local government finance in a particular calendar year before the application of an annual adjustment under IC 6-1.1-4-4.5 for that particular calendar year or any calendar year since the last general reassessment preceding the particular calendar year.~~

SECTION 57. IC 6-1.1-18.5-9.8 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 9.8. (a) For purposes of determining the property tax levy limit imposed on a city, town, or county under section 3 of this chapter, the city, town, or county's ad valorem property tax levy for a particular calendar year does not include an amount equal to the lesser of:

(1) the amount of ad valorem property taxes that would be first due and payable to the city, town, or county during the ensuing calendar year if the taxing unit imposed the maximum permissible property tax rate per one hundred dollars (\$100) of assessed valuation that the civil taxing unit may impose for the particular calendar year under the authority of IC 36-9-14.5 (in the case of a county) or IC 36-9-15.5 (in the case of a city or town); or

(2) the excess, if any, of:

(A) the property taxes imposed by the city, town, or county under the authority of:

IC 3-11-6-9;

IC 8-16-3;

IC 8-16-3.1;

IC 8-22-3-25;

IC 14-27-6-48;

IC 14-33-9-3;

IC 16-22-8-41;

IC 16-22-5-2 through IC 16-22-5-15;

IC 16-23-1-40;

IC 36-8-14;

IC 36-9-4-48;

IC 36-9-14;

IC 36-9-14.5;

IC 36-9-15;

C  
o  
p  
y



1 IC 36-9-15.5;  
 2 IC 36-9-16;  
 3 IC 36-9-16.5;  
 4 IC 36-9-17;  
 5 IC 36-9-26;  
 6 IC 36-9-27-100;  
 7 IC 36-10-3-21; or  
 8 IC 36-10-4-36;  
 9 that are first due and payable during the ensuing calendar year;  
 10 over  
 11 (B) the property taxes imposed by the city, town, or county  
 12 under the authority of the citations listed in clause (A) that  
 13 were first due and payable during calendar year 1984.  
 14 (b) The maximum property tax rate levied under the statutes listed  
 15 in subsection (a) must be adjusted each time a general reassessment of  
 16 property takes effect.  
 17 (c) The new maximum rate under a statute listed in subsection (a)  
 18 is the tax rate determined under STEP SEVEN of the following  
 19 formula:  
 20 STEP ONE: Determine the maximum rate for the political  
 21 subdivision levying a property tax under the statute for the year  
 22 preceding the year in which the general reassessment takes effect.  
 23 STEP TWO: Determine the actual percentage increase (rounded  
 24 to the nearest one-hundredth percent (0.01%)) in the assessed  
 25 value of the taxable property from the year preceding the year the  
 26 general reassessment takes effect to the year that the general  
 27 reassessment is effective.  
 28 STEP THREE: Determine the three (3) calendar years that  
 29 immediately precede the ensuing calendar year and in which a  
 30 statewide general reassessment of real property does not first  
 31 become effective.  
 32 STEP FOUR: Compute separately, for each of the calendar years  
 33 determined in STEP THREE, the actual percentage increase  
 34 (rounded to the nearest one-hundredth percent (0.01%)) in the  
 35 assessed value of the taxable property from the preceding year.  
 36 STEP FIVE: Divide the sum of the three (3) quotients computed  
 37 in STEP FOUR by three (3).  
 38 STEP SIX: Determine the greater of the following:  
 39 (A) Zero (0).  
 40 (B) The result of the STEP TWO percentage minus the STEP  
 41 FIVE percentage.  
 42 STEP SEVEN: Determine the quotient of the STEP ONE tax rate

C  
 o  
 p  
 y



divided by the sum of one (1) plus the STEP SIX percentage increase.

(d) The department of local government finance shall compute the maximum rate allowed under subsection (c) and provide the rate to each political subdivision with authority to levy a tax under a statute listed in subsection (a):

SECTION 58. IC 6-1.1-18.5-13, AS AMENDED BY P.L.73-2005, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 13. With respect to an appeal filed under section 12 of this chapter, the local government tax control board may recommend that a civil taxing unit receive any one (1) or more of the following types of relief:

(1) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if in the judgment of the local government tax control board the increase is reasonably necessary due to increased costs of the civil taxing unit resulting from annexation, consolidation, or other extensions of governmental services by the civil taxing unit to additional geographic areas or persons.

(2) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the civil taxing unit needs the increase to meet the civil taxing unit's share of the costs of operating a court established by statute enacted after December 31, 1973. Before recommending such an increase, the local government tax control board shall consider all other revenues available to the civil taxing unit that could be applied for that purpose. The maximum aggregate levy increases that the local government tax control board may recommend for a particular court equals the civil taxing unit's share of the costs of operating a court for the first full calendar year in which it is in existence.

(3) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the quotient determined under STEP SIX of the following formula is equal to or greater than one and three-hundredths (1.03):

STEP ONE: Determine the three (3) calendar years that most immediately precede the ensuing calendar year. ~~and in which a statewide general reassessment of real property does not first become effective.~~

STEP TWO: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the

C  
o  
p  
y



nearest ten-thousandth (0.0001)) of the sum of the civil taxing unit's total assessed value of all taxable property and the total assessed value of property tax deductions in the unit under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular calendar year, divided by the sum of the civil taxing unit's total assessed value of all taxable property and the total assessed value of property tax deductions in the unit under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the calendar year immediately preceding the particular calendar year.

STEP THREE: Divide the sum of the three (3) quotients computed in STEP TWO by three (3).

STEP FOUR: Compute separately, for each of the calendar years determined in STEP ONE, the quotient (rounded to the nearest ten-thousandth (0.0001)) of the sum of the total assessed value of all taxable property in all counties and the total assessed value of property tax deductions in all counties under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the particular calendar year, divided by the sum of the total assessed value of all taxable property in all counties and the total assessed value of property tax deductions in all counties under IC 6-1.1-12-41 or IC 6-1.1-12-42 in the calendar year immediately preceding the particular calendar year.

STEP FIVE: Divide the sum of the three (3) quotients computed in STEP FOUR by three (3).

STEP SIX: Divide the STEP THREE amount by the STEP FIVE amount.

The civil taxing unit may increase its levy by a percentage not greater than the percentage by which the STEP THREE amount exceeds the percentage by which the civil taxing unit may increase its levy under section 3 of this chapter based on the assessed value growth quotient determined under section 2 of this chapter.

(4) Permission to the civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the civil taxing unit needs the increase to pay the costs of furnishing fire protection for the civil taxing unit through a volunteer fire department. For purposes of determining a township's need for an increased levy, the local government tax control board shall not consider the amount of money borrowed under IC 36-6-6-14 during the immediately preceding calendar year. However, any increase in the amount of the civil taxing unit's levy recommended by the

C  
o  
p  
y



1 local government tax control board under this subdivision for the  
2 ensuing calendar year may not exceed the lesser of:

3 (A) ten thousand dollars (\$10,000); or

4 (B) twenty percent (20%) of:

5 (i) the amount authorized for operating expenses of a  
6 volunteer fire department in the budget of the civil taxing  
7 unit for the immediately preceding calendar year; plus

8 (ii) the amount of any additional appropriations authorized  
9 during that calendar year for the civil taxing unit's use in  
10 paying operating expenses of a volunteer fire department  
11 under this chapter; minus

12 (iii) the amount of money borrowed under IC 36-6-6-14  
13 during that calendar year for the civil taxing unit's use in  
14 paying operating expenses of a volunteer fire department.

15 (5) Permission to a civil taxing unit to increase its levy in excess  
16 of the limitations established under section 3 of this chapter in  
17 order to raise revenues for pension payments and contributions  
18 the civil taxing unit is required to make under IC 36-8. The  
19 maximum increase in a civil taxing unit's levy that may be  
20 recommended under this subdivision for an ensuing calendar year  
21 equals the amount, if any, by which the pension payments and  
22 contributions the civil taxing unit is required to make under  
23 IC 36-8 during the ensuing calendar year exceeds the product of  
24 one and one-tenth (1.1) multiplied by the pension payments and  
25 contributions made by the civil taxing unit under IC 36-8 during  
26 the calendar year that immediately precedes the ensuing calendar  
27 year. For purposes of this subdivision, "pension payments and  
28 contributions made by a civil taxing unit" does not include that  
29 part of the payments or contributions that are funded by  
30 distributions made to a civil taxing unit by the state.

31 (6) Permission to increase its levy in excess of the limitations  
32 established under section 3 of this chapter if the local government  
33 tax control board finds that:

34 (A) the township's township assistance ad valorem property  
35 tax rate is less than one and sixty-seven hundredths cents  
36 (\$0.0167) per one hundred dollars (\$100) of assessed  
37 valuation; and

38 (B) the township needs the increase to meet the costs of  
39 providing township assistance under IC 12-20 and IC 12-30-4.

40 The maximum increase that the board may recommend for a  
41 township is the levy that would result from an increase in the  
42 township's township assistance ad valorem property tax rate of

C  
o  
p  
y



one and sixty-seven hundredths cents (\$0.0167) per one hundred dollars (\$100) of assessed valuation minus the township's ad valorem property tax rate per one hundred dollars (\$100) of assessed valuation before the increase.

(7) Permission to a civil taxing unit to increase its levy in excess of the limitations established under section 3 of this chapter if:

(A) the increase has been approved by the legislative body of the municipality with the largest population where the civil taxing unit provides public transportation services; and

(B) the local government tax control board finds that the civil taxing unit needs the increase to provide adequate public transportation services.

The local government tax control board shall consider tax rates and levies in civil taxing units of comparable population, and the effect (if any) of a loss of federal or other funds to the civil taxing unit that might have been used for public transportation purposes. However, the increase that the board may recommend under this subdivision for a civil taxing unit may not exceed the revenue that would be raised by the civil taxing unit based on a property tax rate of one cent (\$0.01) per one hundred dollars (\$100) of assessed valuation.

(8) Permission to a civil taxing unit to increase the unit's levy in excess of the limitations established under section 3 of this chapter if the local government tax control board finds that:

(A) the civil taxing unit is:

(i) a county having a population of more than one hundred forty-eight thousand (148,000) but less than one hundred seventy thousand (170,000);

(ii) a city having a population of more than fifty-five thousand (55,000) but less than fifty-nine thousand (59,000);

(iii) a city having a population of more than twenty-eight thousand seven hundred (28,700) but less than twenty-nine thousand (29,000);

(iv) a city having a population of more than fifteen thousand four hundred (15,400) but less than sixteen thousand six hundred (16,600); or

(v) a city having a population of more than seven thousand (7,000) but less than seven thousand three hundred (7,300); and

(B) the increase is necessary to provide funding to undertake removal (as defined in IC 13-11-2-187) and remedial action (as defined in IC 13-11-2-185) relating to hazardous

C  
o  
p  
y





substances (as defined in IC 13-11-2-98) in solid waste disposal facilities or industrial sites in the civil taxing unit that have become a menace to the public health and welfare.

The maximum increase that the local government tax control board may recommend for such a civil taxing unit is the levy that would result from a property tax rate of six and sixty-seven hundredths cents (\$0.0667) for each one hundred dollars (\$100) of assessed valuation. For purposes of computing the ad valorem property tax levy limit imposed on a civil taxing unit under section 3 of this chapter, the civil taxing unit's ad valorem property tax levy for a particular year does not include that part of the levy imposed under this subdivision. In addition, a property tax increase permitted under this subdivision may be imposed for only two (2) calendar years.

(9) Permission for a county:

(A) having a population of more than eighty thousand (80,000) but less than ninety thousand (90,000) to increase the county's levy in excess of the limitations established under section 3 of this chapter, if the local government tax control board finds that the county needs the increase to meet the county's share of the costs of operating a jail or juvenile detention center, including expansion of the facility, if the jail or juvenile detention center is opened after December 31, 1991;

(B) that operates a county jail or juvenile detention center that is subject to an order that:

- (i) was issued by a federal district court; and
- (ii) has not been terminated;

(C) that operates a county jail that fails to meet:

- (i) American Correctional Association Jail Construction Standards; and
- (ii) Indiana jail operation standards adopted by the department of correction; or

(D) that operates a juvenile detention center that fails to meet standards equivalent to the standards described in clause (C) for the operation of juvenile detention centers.

Before recommending an increase, the local government tax control board shall consider all other revenues available to the county that could be applied for that purpose. An appeal for operating funds for a jail or a juvenile detention center shall be considered individually, if a jail and juvenile detention center are both opened in one (1) county. The maximum aggregate levy increases that the local government tax control board may

C  
o  
p  
y



1 recommend for a county equals the county's share of the costs of  
 2 operating the jail or a juvenile detention center for the first full  
 3 calendar year in which the jail or juvenile detention center is in  
 4 operation.

5 (10) Permission for a township to increase its levy in excess of the  
 6 limitations established under section 3 of this chapter, if the local  
 7 government tax control board finds that the township needs the  
 8 increase so that the property tax rate to pay the costs of furnishing  
 9 fire protection for a township, or a portion of a township, enables  
 10 the township to pay a fair and reasonable amount under a contract  
 11 with the municipality that is furnishing the fire protection.  
 12 However, for the first time an appeal is granted the resulting rate  
 13 increase may not exceed fifty percent (50%) of the difference  
 14 between the rate imposed for fire protection within the  
 15 municipality that is providing the fire protection to the township  
 16 and the township's rate. A township is required to appeal a second  
 17 time for an increase under this subdivision if the township wants  
 18 to further increase its rate. However, a township's rate may be  
 19 increased to equal but may not exceed the rate that is used by the  
 20 municipality. More than one (1) township served by the same  
 21 municipality may use this appeal.

22 (11) Permission for a township to increase its levy in excess of the  
 23 limitations established under section 3 of this chapter, if the local  
 24 government tax control board finds that the township has been  
 25 required, for the three (3) consecutive years preceding the year for  
 26 which the appeal under this subdivision is to become effective, to  
 27 borrow funds under IC 36-6-6-14 to furnish fire protection for the  
 28 township or a part of the township. However, the maximum  
 29 increase in a township's levy that may be allowed under this  
 30 subdivision is the least of the amounts borrowed under  
 31 IC 36-6-6-14 during the preceding three (3) calendar years. A  
 32 township may elect to phase in an approved increase in its levy  
 33 under this subdivision over a period not to exceed three (3) years.  
 34 A particular township may appeal to increase its levy under this  
 35 section not more frequently than every fourth calendar year.

36 (12) Permission to a city having a population of more than  
 37 twenty-nine thousand (29,000) but less than thirty-one thousand  
 38 (31,000) to increase its levy in excess of the limitations  
 39 established under section 3 of this chapter if:

40 (A) an appeal was granted to the city under this section to  
 41 reallocate property tax replacement credits under IC 6-3.5-1.1  
 42 in 1998, 1999, and 2000; and

**C  
o  
p  
y**



(B) the increase has been approved by the legislative body of the city, and the legislative body of the city has by resolution determined that the increase is necessary to pay normal operating expenses.

The maximum amount of the increase is equal to the amount of property tax replacement credits under IC 6-3.5-1.1 that the city petitioned under this section to have reallocated in 2001 for a purpose other than property tax relief.

SECTION 59. IC 6-1.1-21-4, AS AMENDED BY P.L.228-2005, SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 4. (a) Each year the department shall allocate from the property tax replacement fund an amount equal to the sum of:

(1) each county's total eligible property tax replacement amount for that year; plus

(2) the total amount of homestead tax credits that are provided under IC 6-1.1-20.9 and allowed by each county for that year; plus

(3) an amount for each county that has one (1) or more taxing districts that contain all or part of an economic development district that meets the requirements of section 5.5 of this chapter. This amount is the sum of the amounts determined under the following STEPS for all taxing districts in the county that contain all or part of an economic development district:

STEP ONE: Determine that part of the sum of the amounts under section 2(g)(1)(A) and 2(g)(2) of this chapter that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of the subdivision (1) amount that is attributable to the taxing district; by

(B) the STEP ONE sum.

STEP THREE: Multiply:

(A) the STEP TWO quotient; times

(B) the taxes levied in the taxing district that are allocated to a special fund under IC 6-1.1-39-5.

(b) Except as provided in subsection (e), between March 1 and August 31 of each year, the department shall distribute to each county treasurer from the property tax replacement fund one-half (1/2) of the estimated distribution for that year for the county. Between September 1 and December 15 of that year, the department shall distribute to each county treasurer from the property tax replacement fund the remaining one-half (1/2) of each estimated distribution for that year. The amount

C  
o  
p  
y



of the distribution for each of these periods shall be according to a schedule determined by the property tax replacement fund board under section 10 of this chapter. The estimated distribution for each county may be adjusted from time to time by the department to reflect any changes in the total county tax levy upon which the estimated distribution is based.

(c) On or before December 31 of each year or as soon thereafter as possible, the department shall make a final determination of the amount which should be distributed from the property tax replacement fund to each county for that calendar year. This determination shall be known as the final determination of distribution. The department shall distribute to the county treasurer or receive back from the county treasurer any deficit or excess, as the case may be, between the sum of the distributions made for that calendar year based on the estimated distribution and the final determination of distribution. The final determination of distribution shall be based on the auditor's abstract filed with the auditor of state, adjusted for postabstract adjustments included in the December settlement sheet for the year, and such additional information as the department may require.

(d) All distributions provided for in this section shall be made on warrants issued by the auditor of state drawn on the treasurer of state. If the amounts allocated by the department from the property tax replacement fund exceed in the aggregate the balance of money in the fund, then the amount of the deficiency shall be transferred from the state general fund to the property tax replacement fund, and the auditor of state shall issue a warrant to the treasurer of state ordering the payment of that amount. However, any amount transferred under this section from the general fund to the property tax replacement fund shall, as soon as funds are available in the property tax replacement fund, be retransferred from the property tax replacement fund to the state general fund, and the auditor of state shall issue a warrant to the treasurer of state ordering the replacement of that amount.

(e) Except as provided in subsection (g) and subject to subsection (h), the department shall not distribute under subsection (b) and section 10 of this chapter a percentage, determined by the department, of the money that would otherwise be distributed to the county under subsection (b) and section 10 of this chapter if:

(1) by the date the distribution is scheduled to be made, the county auditor has not sent a certified statement required to be sent by that date under IC 6-1.1-17-1 to the department of local government finance;

(2) by the deadline under IC 36-2-9-20, the county auditor has not

**C  
O  
P  
Y**



transmitted data as required under that section;

(3) the county assessor has not forwarded to the department of local government finance the duplicate copies of all approved exemption applications required to be forwarded by that date under IC 6-1.1-11-8(a);

(4) the county assessor has not forwarded to the department of local government finance in a timely manner sales disclosure forms under IC 6-1.1-5.5-3(b);

(5) local assessing officials have not provided information to the department of local government finance in a timely manner under IC 4-10-13-5(b);

(6) the county auditor has not paid a bill for services under IC 6-1.1-4-31.5 to the department of local government finance in a timely manner;

(7) the ~~elected township assessors in the county; the elected township assessors and the county assessor; or the county assessor~~ has not transmitted to the department of local government finance by October 1 of the year in which the distribution is scheduled to be made the data for all townships in the county required to be transmitted under IC 6-1.1-4-25(b);

(8) the county has not established a parcel index numbering system under 50 IAC 12-15-1 in a timely manner; or

(9) a township or county official has not provided other information to the department of local government finance in a timely manner as required by the department.

(f) Except as provided in subsection (i), money not distributed for the reasons stated in subsection (e) shall be distributed to the county when the department of local government finance determines that the failure to:

(1) provide information; or

(2) pay a bill for services;

has been corrected.

(g) The restrictions on distributions under subsection (e) do not apply if the department of local government finance determines that the failure to:

(1) provide information; or

(2) pay a bill for services;

in a timely manner is justified by unusual circumstances.

(h) The department shall give the county auditor at least thirty (30) days notice in writing before withholding a distribution under subsection (e).

(i) Money not distributed for the reason stated in subsection (e)(6)

C  
o  
p  
y



1 may be deposited in the fund established by IC 6-1.1-5.5-4.7(a). Money  
 2 deposited under this subsection is not subject to distribution under  
 3 subsection (f).

4 SECTION 60. IC 6-1.1-21.2-11 IS AMENDED TO READ AS  
 5 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 11. (a) Not later  
 6 than September 1 of ~~a each year, in which a general reassessment does~~  
 7 ~~not become effective~~, the governing body shall estimate the tax  
 8 increment replacement amount for each allocation area under the  
 9 jurisdiction of the governing body for the next calendar year. ~~In a year~~  
 10 ~~in which a general reassessment becomes effective, the department of~~  
 11 ~~local government finance may extend the deadline under this~~  
 12 ~~subsection by giving written notice to the governing body before the~~  
 13 ~~deadline.~~

14 (b) The tax increment replacement amount is the amount  
 15 determined in STEP THREE of the following formula:

16 STEP ONE: The governing body shall estimate the amount of tax  
 17 increment revenues it would receive in the next calendar year if  
 18 the property tax replacement credits payable with respect to the  
 19 general fund levies imposed by all school corporations with  
 20 jurisdiction in the allocation area were determined under  
 21 IC 6-1.1-21 as in effect on January 1, 2001.

22 STEP TWO: The governing body shall estimate the amount of tax  
 23 increment revenues it will receive in the next calendar year after  
 24 implementation of the increase in the property tax credits payable  
 25 under IC 6-1.1-21, as amended by the general assembly in 2002,  
 26 with respect to general fund levies imposed by all school  
 27 corporations with jurisdiction in the allocation area.

28 STEP THREE: Subtract the STEP TWO amount from the STEP  
 29 ONE amount.

30 SECTION 61. IC 6-1.1-21.2-14 IS AMENDED TO READ AS  
 31 FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 14. (a) The  
 32 department of local government finance shall approve an appeal filed  
 33 under section 13 of this chapter if the department determines that:

- 34 (1) the governing body's estimate of the tax replacement amount
- 35 under section 11 of this chapter is reasonable;
- 36 (2) a tax levy in excess of the amount determined under section
- 37 12(d) of this chapter would:

38 (A) create a significant financial hardship on taxpayers  
 39 residing in the district in which the governing body exercises  
 40 jurisdiction;

41 (B) significantly reduce the benefits from the increase in the  
 42 property tax credits payable under IC 6-1.1-21, as amended by

C  
o  
p  
y



the general assembly in 2002, with respect to general fund levies imposed by all school corporations with jurisdiction in the district; or

(C) have a disproportionate impact on small businesses or low income families or individuals; and

(3) the governing body has made reasonable efforts to limit its use of the special fund for the allocation area to appropriations for payments of:

(A) the principal and interest on loans or bonds;

(B) lease rentals on leases;

(C) amounts due on other contractual obligations; and

(D) additional credits described in IC 8-22-3.5-10(a), IC 36-7-14-39.5(c), IC 36-7-14.5-12.5(d)(5), IC 36-7-15.1-26.5(e), IC 36-7-15.1-35(d), or IC 36-7-30-25(b)(2)(E).

(b) ~~In a year in which a general reassessment does not become effective;~~ The department of local government finance shall make a final determination on an appeal filed under this section by December 1 of the year. ~~In a year in which a general reassessment becomes effective; the department may extend the deadline under this subsection by giving written notice to the appellant before the deadline.~~

(c) If the department approves an appeal filed under this section, it shall order a distribution from the property tax replacement fund in the amount determined under section 13(b) of this chapter in the same manner as distributions are made under IC 6-1.1-21-4.

(d) If the department denies an appeal filed under section 13 of this chapter, or does not grant the maximum permissible distribution under section 13(b) of this chapter, the legislative body of the unit that established the district may increase the levy imposed under this chapter to an amount that, when combined with any distribution received under this chapter, does not exceed the tax increment replacement amount.

SECTION 62. IC 6-1.1-21.7-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 10. The lost revenue for a fund is the amount determined under STEP THREE of the following formula:

STEP ONE: Determine the property tax levy approved by the department of local government finance for the base year, as adjusted by the following:

(A) If the taxpayer made payments in lieu of taxes in the base year that were not included in the property tax levy for the base year, add the amount of the payments in lieu of taxes

C  
o  
p  
y



made by the taxpayer in the base year to the amount of the tax levy.

(B) If part of the taxpayer's property that was used in the base year to compute the taxpayer's payments to the taxing unit is not in the taxing unit or would not otherwise be the basis for taxpayer payments to the taxing unit in the current year, reduce the amount determined in this STEP to reflect the removal of the property.

(C) If the taxpayer's property used to compute the property taxes or payments in lieu of property taxes paid in the base year is depreciable property that would have had a lower assessed value in the current year, reduce the amount determined in this STEP to reflect the lower amount of property taxes or payments in lieu of property taxes that the taxpayer would have paid in the current year for the same property.

STEP TWO: Determine the current levy using the tax rate used for the base year as follows:

(A) Determine the assessed value of all taxable property on which property taxes will be collected:

- (i) in the current year; and
- (ii) for the smaller of the geographic area in which the taxing unit imposed property taxes for collection in the base year or the geographic area in which the taxing unit imposes property taxes in the current year.

~~If a general reassessment has become effective in a year after the base year, adjust the assessed value determined in this clause to neutralize the effects of reassessment.~~

(B) Multiply the assessed value determined for the current year under clause (A) by the tax rate for the fund in the base year.

(C) Divide the result under clause (B) by one hundred (100).

(D) Subtract the amount of any:

- (i) property tax payment; or
- (ii) payment in lieu of property taxes;

made by the taxpayer to the fund for the current year that is not included in the amount determined under clause (C).

STEP THREE: Determine the greater of the following:

(A) Zero (0).

(B) The result of the STEP ONE amount minus the STEP TWO amount.

SECTION 63. IC 6-1.1-28-8 IS AMENDED TO READ AS

C  
o  
p  
y





FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 8. (a) The county property tax assessment board shall remain in session until the board's duties are complete.

(b) All expenses and per diem compensation resulting from a session of a county property tax assessment board that is called by the department of local government finance under subsection (c) shall be paid by the county auditor, who shall, without an appropriation being required, draw warrants on county funds not otherwise appropriated.

(c) The department of local government finance may also call a session of the county property tax assessment board after completion of a general reassessment of real property. The department of local government finance shall fix the time for and duration of the session.

SECTION 64. IC 6-1.1-31-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 6. (a) With respect to the assessment of real property, the rules of the department of local government finance shall provide for:

(1) the classification of land on the basis of:

- (i) acreage;
- (ii) lots;
- (iii) size;
- (iv) location;
- (v) use;
- (vi) productivity or earning capacity;
- (vii) applicable zoning provisions;
- (viii) accessibility to highways, sewers, and other public services or facilities; and
- (ix) any other factor that the department determines by rule is just and proper; and

(2) the classification of improvements on the basis of:

- (i) size;
- (ii) location;
- (iii) use;
- (iv) type and character of construction;
- (v) age;
- (vi) condition;
- (vii) cost of reproduction; and
- (viii) any other factor that the department determines by rule is just and proper.

(b) (a) With respect to the assessment of real property, the rules of the department of local government finance shall include instructions for determining

(1) the proper classification of real property;

C  
o  
p  
y



- (2) the size of real property;
- (3) the effects that location and use have on the value of real property;
- (4) the depreciation, including physical deterioration and obsolescence, of real property;
- (5) the cost of reproducing improvements;
- (6) the productivity or earning capacity of:
  - (A) agricultural land; and
  - (B) real property regularly used to rent or otherwise furnish residential accommodations for periods of thirty (30) days or more;
- (7) sales data for generally comparable properties; and
- (8) the true tax value of real property based on the factors listed in this subsection and any other factor that the department determines by rule is just and proper: **the fair market value of the real property.**

(c) (b) With respect to the assessment of real property, true tax value does not mean means fair market value. Subject to this article, true tax value is the value determined under the rules of the department of local government finance:

SECTION 65. IC 6-1.1-31-7, AS AMENDED BY P.L.214-2005, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 7. (a) With respect to the assessment of personal property, the rules of the department of local government finance shall provide for the classification of personal property on the basis of:

- (1) date of purchase;
- (2) location;
- (3) use;
- (4) depreciation, obsolescence, and condition; and
- (5) any other factor that the department determines by rule is just and proper.

(b) With respect to the assessment of personal property, the rules of the department of local government finance shall include instructions for determining:

- (1) the proper classification of personal property;
- (2) the effect that location has on the value of personal property;
- (3) the cost of reproducing personal property;
- (4) the depreciation, including physical deterioration and obsolescence, of personal property;
- (5) the productivity or earning capacity of mobile homes regularly used to rent or otherwise furnish residential accommodations for

C  
o  
p  
y



periods of thirty (30) days or more;

(6) the true tax value of mobile homes assessed under IC 6-1.1-7 ~~(other than mobile homes subject to the preferred valuation method under IC 6-1.1-4-39(b))~~ as the least of the values determined using the following:

(A) The National Automobile Dealers Association Guide.

(B) The purchase price of a mobile home if:

(i) the sale is of a commercial enterprise nature; and

(ii) the buyer and seller are not related by blood or marriage.

(C) Sales data for generally comparable mobile homes;

(7) the true tax value at the time of acquisition of computer application software, for the purpose of deducting the value of computer application software from the acquisition cost of tangible personal property whenever the value of the tangible personal property that is recorded on the taxpayer's books and records reflects the value of the computer application software; and

(8) the true tax value of personal property based on the factors listed in this subsection and any other factor that the department determines by rule is just and proper.

(c) In providing for the classification of personal property and the instructions for determining the items listed in subsection (b), the department of local government finance shall not include the value of land as a cost of producing tangible personal property subject to assessment.

(d) With respect to the assessment of personal property, true tax value does not mean fair market value. Subject to this article, true tax value is the value determined under rules of the department of local government finance.

SECTION 66. IC 6-1.1-31-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 12. The ~~state board of tax commissioners~~ **department of local government finance** shall adopt rules under IC 4-22-2 to govern the reduction and increase of assessed valuations by the county assessor under IC 6-1.1-13 to attain a just and equal basis of assessment among the taxpayers in the county. The rules must specify the procedures and standards to be used by the county assessor.

SECTION 67. IC 6-1.1-31.5-3.5, AS AMENDED BY P.L.228-2005, SECTION 26, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 3.5. (a) Until the system described in subsection (e) is implemented, each county shall maintain a state certified computer system that has the capacity to:

C  
o  
p  
y



- (1) process and maintain assessment records;
- (2) process and maintain standardized property tax forms;
- (3) process and maintain standardized property assessment notices; **and**
- (4) maintain complete and accurate assessment records for the county. **and**
- (5) process and compute complete and accurate assessments in accordance with Indiana law.

The county assessor with the recommendation of the township assessors shall select the computer system used by township assessors and the county assessor. ~~in the county except in a county with an elected township assessor in every township. In a county with an elected township assessor in every township, the elected township assessors shall select a computer system based on a majority vote of the township assessors in the county.~~

(b) All information on a computer system referred to in subsection (a) shall be readily accessible to:

- (1) township assessors;
- (2) the county assessor;
- (3) the department of local government finance; and
- (4) members of the county property tax assessment board of appeals.

(c) The certified system referred to in subsection (a) used by the counties must be:

- (1) compatible with the data export and transmission requirements in a standard format prescribed by the office of technology established by IC 4-13.1-2-1 and approved by the legislative services agency; and
- (2) maintained in a manner that ensures prompt and accurate transfer of data to the department of local government finance and the legislative services agency.

(d) All standardized property forms and notices on the certified computer system referred to in subsection (a) shall be maintained by the township assessor and the county assessor in an accessible location and in a format that is easily understandable for use by persons of the county.

(e) The department shall adopt rules before July 1, 2006, for the establishment of:

- (1) a uniform and common property tax management system among all counties that
  - (A) ~~includes a combined mass appraisal and county auditor system integrated with a county treasurer system; and~~

C  
o  
p  
y



- 1           ~~(B)~~ replaces the computer system referred to in subsection (a);  
 2           and  
 3           (2) a schedule for implementation of the system referred to in  
 4           subdivision (1) structured to result in the implementation of the  
 5           system in all counties with respect to an assessment date:  
 6                (A) determined by the department; and  
 7                (B) specified in the rule.
- 8           (f) The department shall appoint an advisory committee to assist the  
 9           department in the formulation of the rules referred to in subsection (e).  
 10          The department shall determine the number of members of the  
 11          committee. The committee:  
 12                (1) must include at least:  
 13                   (A) one (1) township assessor;  
 14                   (B) one (1) county assessor;  
 15                   (C) one (1) county auditor; and  
 16                   (D) one (1) county treasurer; and  
 17                (2) shall meet at times and locations determined by the  
 18                department.
- 19          (g) Each member of the committee appointed under subsection (f)  
 20          who is not a state employee is not entitled to the minimum salary per  
 21          diem provided by IC 4-10-11-2.1(b). The member is entitled to  
 22          reimbursement for traveling expenses as provided under IC 4-13-1-4  
 23          and other expenses actually incurred in connection with the member's  
 24          duties as provided in the state policies and procedures established by  
 25          the Indiana department of administration and approved by the budget  
 26          agency.
- 27          (h) Each member of the committee appointed under subsection (f)  
 28          who is a state employee is entitled to reimbursement for traveling  
 29          expenses as provided under IC 4-13-1-4 and other expenses actually  
 30          incurred in connection with the member's duties as provided in the state  
 31          policies and procedures established by the Indiana department of  
 32          administration and approved by the budget agency.
- 33          (i) The department shall report to the budget committee in writing  
 34          the department's estimate of the cost of implementation of the system  
 35          referred to in subsection (e).
- 36          SECTION 68. IC 6-1.1-33.5-2 IS AMENDED TO READ AS  
 37          FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 2. The division of  
 38          data analysis shall do the following:  
 39                (1) Compile an electronic data base that includes the following:  
 40                   (A) The local government data base.  
 41                   (B) Information on sales of real and personal property,  
 42                   including nonconfidential information from sales disclosure

C  
o  
p  
y



forms filed under IC 6-1.1-5.5.

(C) Personal property assessed values and data entries on personal property return forms.

(D) Real property assessed values and data entries on real property ~~assessment records~~. **return forms.**

(E) Information on property tax exemptions, deductions, and credits.

(F) Any other data relevant to the accurate determination of real property and personal property tax assessments.

(2) Make available to each county and township software that permits the transfer of the data described in subdivision (1) to the division in a uniform format through a secure connection over the Internet.

(3) Analyze the data compiled under this section for the purpose of performing the functions under section 3 of this chapter.

(4) Conduct continuing studies of personal and real property tax deductions, abateements, and exemptions used throughout Indiana. The division of data analysis shall, before May 1 of each even-numbered year, report on the studies at a meeting of the budget committee and submit a report on the studies to the legislative services agency for distribution to the members of the legislative council. The report must be in an electronic format under IC 5-14-6.

SECTION 69. IC 6-1.1-33.5-6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 6. (a) With respect to any township or county for any year, the department of local government finance may initiate a review to determine whether to order a special reassessment under this chapter. The review may apply to real property or personal property, or both.

(b) If the department of local government finance determines under subsection (a) of this chapter to initiate a review with respect to the real property within a township or county, or a portion of the real property within a township or county, the division of data analysis of the department shall determine for the real property under consideration and for the township or county the variance between:

(1) the total assessed valuation of the real property within the township or county; and

(2) the total assessed valuation that would result if the real property within the township or county were valued in the manner provided by law.

(c) If the department of local government finance determines under subsection (a) of this chapter to initiate a review with respect to

C  
o  
p  
y



personal property within a township or county, or a part of the personal property within a township or county, the division of data analysis of the department shall determine for the personal property under consideration and for the township or county the variance between:

(1) the total assessed valuation of the personal property within the township or county; and

(2) the total assessed valuation that would result if the personal property within the township or county were valued in the manner provided by law.

(d) The determination of the department of local government finance under section 2 or 3 of this chapter must be based on a statistically valid assessment ratio study.

(e) If a determination of the department of local government finance to order a special reassessment under this chapter is based on a coefficient of dispersion study, the department shall publish the coefficient of dispersion study for the township or county in accordance with IC 5-3-1-2(j).

(f) If:

(1) the variance determined under subsection (b) or (c) exceeds twenty percent (20%); and

(2) the department of local government finance determines after holding hearings on the matter that a special reassessment should be conducted;

the department shall contract for a special reassessment to be conducted to correct the valuation of the property.

(g) If the variance determined under subsection (b) or (c) is twenty percent (20%) or less, the department of local government finance shall determine whether to correct the valuation of the property under

~~(1) IC 6-1.1-4-9 and IC 6-1.1-4-10; or~~

~~(2) IC 6-1.1-14.~~

(h) The department of local government finance shall give notice to a taxpayer, by individual notice or by publication at the discretion of the department, of a hearing concerning the department's intent to cause the assessment of the taxpayer's property to be adjusted under this section. The time fixed for the hearing must be at least ten (10) days after the day the notice is mailed or published. The department may conduct a single hearing under this section with respect to multiple properties. The notice must state:

(1) the time of the hearing;

(2) the location of the hearing; and

(3) that the purpose of the hearing is to hear taxpayers' comments and objections with respect to the department's intent to adjust the

C  
o  
p  
y



assessment of property under this chapter.

(i) If the department of local government finance determines after the hearing that the assessment of property should be adjusted under this chapter, the department shall:

- (1) cause the assessment of the property to be adjusted;
- (2) mail a certified notice of its final determination to the county auditor of the county in which the property is located; and
- (3) notify the taxpayer as required under IC 6-1.1-14.

(j) A reassessment or adjustment may be made under this section only if the notice of the final determination is given to the taxpayer within the same period prescribed in IC 6-1.1-9-3 or IC 6-1.1-9-4.

(k) If the department of local government finance contracts for a special reassessment of property under this chapter, the department shall forward the bill for services of the reassessment contractor to the county auditor, and the county shall pay the bill from the county reassessment fund.

SECTION 70. IC 6-1.1-34-1, AS AMENDED BY P.L.246-2005, SECTION 68, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 1. Each year, ~~in which a general assessment of real property becomes effective~~, the department of local government finance shall compute a new assessment ratio for each school corporation and a new state average assessment ratio. ~~In all other years, the department shall compute a new assessment ratio for a school corporation and a new state average assessment ratio if the department finds that there has been sufficient reassessment or adjustment of one~~ (1) or more classes of property in the school district. When the department of local government finance computes a new assessment ratio for a school corporation, the department shall publish the new ratio.

SECTION 71. IC 6-1.1-34-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 7. ~~(a)~~ Each year in which the department of local government finance computes a new assessment ratio for a school corporation, the department shall also compute a new adjustment factor for the school corporation. If the school corporation's assessment ratio for a year is more than ninety-nine percent (99%) but less than one hundred one percent (101%) of the state average assessment ratio for that year, the school corporation's adjustment factor is the number one (1). In all other cases, the school corporation's adjustment factor equals:

- (1) the state average assessment ratio for a year; divided by
- (2) the school corporation's assessment ratio for that year.

The department of local government finance shall notify the school

C  
o  
p  
y





corporation of its new adjustment factor before March 2 of the year in which the department calculates the new adjustment factor.

(b) This subsection applies in a calendar year in which a general reassessment takes effect. If the department of local government finance has not computed:

- (1) a new assessment ratio for a school corporation; or
- (2) a new state average assessment ratio;

the school corporation's adjustment factor is the number one (1) until the department of local government finance notifies the school corporation of the school corporation's new adjustment factor.

SECTION 72. IC 6-1.1-35-1.1, AS AMENDED BY P.L.88-2005, SECTION 12, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 1.1. (a) Each county assessor ~~and each elected township assessor~~ who has not attained the certification of a level two assessor-appraiser under IC 6-1.1-35.5 must employ at least one (1) certified level two assessor-appraiser.

(b) Each county assessor ~~and each township assessor~~ must:

- (1) attain the certification of a level one assessor-appraiser not later than one (1) year after taking office; and
- (2) attain the certification of a level two assessor-appraiser not later than two (2) years after taking office.

(c) A county assessor ~~or elected township assessor~~ who does not comply with subsection (b) is subject to forfeiture of the part of the assessor's annual compensation that relates to real property assessment duties. The county fiscal body may reduce the appropriations for the annual compensation of a ~~township assessor~~ or county assessor under this subsection in an amount that bears the same proportion to the assessor's annual compensation that the time during the year required for the performance of the assessor's real property assessment duties bears to the time during the year required for the performance of the assessor's overall duties. The assessor's annual compensation is reduced by the amount of the appropriation reduction.

(d) ~~A trustee assessor who does not comply with subsection (b) relinquishes all duties relating to real property assessment to the county assessor until the trustee assessor complies with subsection (b):~~

(e) Not later than six (6) months after taking office, a trustee assessor must notify the county assessor in writing concerning whether the trustee assessor intends to comply with subsection (b). ~~A trustee assessor who notifies the county assessor that the trustee assessor does not intend to comply with subsection (b) relinquishes all duties relating to real property assessment to the county assessor until the trustee assessor complies with subsection (b):~~

C  
o  
p  
y



SECTION 73. IC 6-1.1-35.2-5 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 5. A county that is required to make a payment to an assessing official, a county assessor, or member of, and hearing officers for, the county property tax assessment board of appeals under this chapter must make the payment regardless of an appropriation. The payment may be made from the county's ~~cumulative reassessment~~ **general** fund.

SECTION 74. IC 6-1.1-39-5, AS AMENDED BY P.L.4-2005, SECTION 46, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 5. (a) A declaratory ordinance adopted under section 2 of this chapter and confirmed under section 3 of this chapter must include a provision with respect to the allocation and distribution of property taxes for the purposes and in the manner provided in this section. The allocation provision must apply to the entire economic development district. The allocation provisions must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the economic development district be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value; shall be allocated to and, when collected, paid into the funds of the respective taxing units. However, if the effective date of the allocation provision of a declaratory ordinance is after March 1, 1985, and before January 1, 1986, and if an improvement to property was partially completed on March 1, 1985, the unit may provide in the declaratory ordinance that the taxes attributable to the assessed value of the property as finally determined for March 1, 1984, shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) Except as otherwise provided in this section, part or all of the property tax proceeds in excess of those described in subdivision (1), as specified in the declaratory ordinance, shall be allocated to the unit for the economic development district and, when collected, paid into a special fund established by the unit for that economic development district that may be used only to pay the principal of and interest on obligations owed by the unit under IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing of

C  
o  
p  
y



1 industrial development programs in, or serving, that economic  
 2 development district. The amount not paid into the special fund  
 3 shall be paid to the respective units in the manner prescribed by  
 4 subdivision (1).

5 (3) When the money in the fund is sufficient to pay all  
 6 outstanding principal of and interest (to the earliest date on which  
 7 the obligations can be redeemed) on obligations owed by the unit  
 8 under IC 4-4-8 (before its repeal) or IC 5-28-9 for the financing  
 9 of industrial development programs in, or serving, that economic  
 10 development district, money in the special fund in excess of that  
 11 amount shall be paid to the respective taxing units in the manner  
 12 prescribed by subdivision (1).

13 (b) Property tax proceeds allocable to the economic development  
 14 district under subsection (a)(2) must, subject to subsection (a)(3), be  
 15 irrevocably pledged by the unit for payment as set forth in subsection  
 16 (a)(2).

17 (c) For the purpose of allocating taxes levied by or for any taxing  
 18 unit or units, the assessed value of taxable property in a territory in the  
 19 economic development district that is annexed by any taxing unit after  
 20 the effective date of the allocation provision of the declaratory  
 21 ordinance is the lesser of:

- 22 (1) the assessed value of the property for the assessment date with
- 23 respect to which the allocation and distribution is made; or
- 24 (2) the base assessed value.

25 (d) Notwithstanding any other law, each assessor shall, upon  
 26 petition of the fiscal body, reassess the taxable property situated upon  
 27 or in, or added to, the economic development district effective on the  
 28 next assessment date after the petition.

29 (e) Notwithstanding any other law, the assessed value of all taxable  
 30 property in the economic development district, for purposes of tax  
 31 limitation, property tax replacement (except as provided in  
 32 IC 6-1.1-21-3(c), IC 6-1.1-21-4(a)(3), and IC 6-1.1-21-5(c)), and  
 33 formulation of the budget, tax rate, and tax levy for each political  
 34 subdivision in which the property is located is the lesser of:

- 35 (1) the assessed value of the property as valued without regard to
- 36 this section; or
- 37 (2) the base assessed value.

38 (f) The state board of accounts and department of local government  
 39 finance shall make the rules and prescribe the forms and procedures  
 40 that they consider expedient for the implementation of this chapter.  
 41 After each general reassessment under IC 6-1.1-4, the department of  
 42 local government finance shall adjust the base assessed value one (1)

C  
o  
p  
y



time to neutralize any effect of the general reassessment on the property tax proceeds allocated to the district under this section. However, the adjustment may not include the effect of property tax abatements under IC 6-1.1-12.1.

(g) As used in this section, "property taxes" means:

- (1) taxes imposed under this article on real property; and
- (2) any part of the taxes imposed under this article on depreciable personal property that the unit has by ordinance allocated to the economic development district. However, the ordinance may not limit the allocation to taxes on depreciable personal property with any particular useful life or lives.

If a unit had, by ordinance adopted before May 8, 1987, allocated to an economic development district property taxes imposed under IC 6-1.1 on depreciable personal property that has a useful life in excess of eight (8) years, the ordinance continues in effect until an ordinance is adopted by the unit under subdivision (2).

(h) As used in this section, "base assessed value" means:

- (1) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution; ~~as adjusted under subsection (f);~~ plus
- (2) to the extent that it is not included in subdivision (1), the net assessed value of property that is assessed as residential property under the rules of the department of local government finance, as finally determined for any assessment date after the effective date of the allocation provision.

Subdivision (2) applies only to economic development districts established after June 30, 1997, and to additional areas established after June 30, 1997.

SECTION 75. IC 6-1.1-42-28 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2008]: Sec. 28. (a) Subject to this section, the amount of the deduction which the property owner is entitled to receive under this chapter for a particular year equals the product of:

- (1) the increase in the assessed value resulting from the remediation and redevelopment in the zone or the location of personal property in the zone, or both; multiplied by
- (2) the percentage determined under subsection (b).

(b) The percentage to be used in calculating the deduction under subsection (a) is as follows:

- (1) For deductions allowed over a three (3) year period:
- | YEAR OF DEDUCTION | PERCENTAGE |
|-------------------|------------|
|-------------------|------------|

C  
o  
p  
y



1	1st	100%
2	2nd	66%
3	3rd	33%
4	(2) For deductions allowed over a six (6) year period:	
5	YEAR OF DEDUCTION	PERCENTAGE
6	1st	100%
7	2nd	85%
8	3rd	66%
9	4th	50%
10	5th	34%
11	6th	17%

12	(3) For deductions allowed over a ten (10) year period:	
13	YEAR OF DEDUCTION	PERCENTAGE
14	1st	100%
15	2nd	95%
16	3rd	80%
17	4th	65%
18	5th	50%
19	6th	40%
20	7th	30%
21	8th	20%
22	9th	10%
23	10th	5%

(c) The amount of the deduction determined under subsection (a) shall be adjusted in accordance with this subsection in the following circumstances:

~~(1) If a general reassessment of real property occurs within the particular period of the deduction, the amount determined under subsection (a)(1) shall be adjusted to reflect the percentage increase or decrease in assessed valuation that resulted from the general reassessment.~~

~~(2) (1)~~ If an appeal of an assessment is approved that results in a reduction of the assessed value of the redeveloped or rehabilitated property, the amount of any deduction shall be adjusted to reflect the percentage decrease that resulted from the appeal.

~~(3) (2)~~ The amount of the deduction may not exceed the limitations imposed by the designating body under section 23 of this chapter.

~~(4) (3)~~ The amount of the deduction must be proportionally reduced by the proportionate ownership of the property by a person that:

(A) has an ownership interest in an entity that contributed; or

C  
o  
p  
y



1 (B) has contributed;  
 2 a contaminant (as defined in IC 13-11-2-42) that is the subject of  
 3 the voluntary remediation, as determined under the written  
 4 standards adopted by the department of environmental  
 5 management.  
 6 The department of local government finance shall adopt rules under  
 7 IC 4-22-2 to implement this subsection.  
 8 SECTION 76. THE FOLLOWING ARE REPEALED [EFFECTIVE  
 9 JANUARY 1, 2008]: IC 6-1.1-1-3.5; IC 6-1.1-4-4; IC 6-1.1-4-4.5;  
 10 IC 6-1.1-4-4.7; IC 6-1.1-4-5; IC 6-1.1-4-6; IC 6-1.1-4-9; IC 6-1.1-4-10;  
 11 IC 6-1.1-4-12; IC 6-1.1-4-13.6; IC 6-1.1-4-13.8; IC 6-1.1-4-15;  
 12 IC 6-1.1-4-16; IC 6-1.1-4-20; IC 6-1.1-4-21; IC 6-1.1-4-27.5;  
 13 IC 6-1.1-4-28.5; IC 6-1.1-4-29; IC 6-1.1-4-30; IC 6-1.1-4-32;  
 14 IC 6-1.1-4-33; IC 6-1.1-4-34; IC 6-1.1-4-35; IC 6-1.1-4-36;  
 15 IC 6-1.1-4-37; IC 6-1.1-4-38; IC 6-1.1-4-39; IC 6-1.1-4-40;  
 16 IC 6-1.1-4-41; IC 6-1.1-8.5; IC 6-1.1-8.7; IC 6-1.1-15-16;  
 17 IC 6-1.1-18-12; IC 6-1.1-31-9; IC 6-1.1-37-10.5; IC 36-2-7-13;  
 18 IC 36-6-8-5.  
 19 SECTION 77. [EFFECTIVE UPON PASSAGE] (a) The  
 20 department of local government finance shall:  
 21 (1) adopt rules as required by IC 6-1.1-31-6, as amended by  
 22 this act, before July 1, 2007, for the use of fair market value  
 23 in the assessment of real property beginning with the  
 24 assessment date in 2008; and  
 25 (2) provide training beginning in 2007 to county assessors and  
 26 members of county property tax assessment boards of appeals  
 27 that includes instruction in the determination of real property  
 28 assessments using the rules referred to in subdivision (1).  
 29 (b) This SECTION expires January 1, 2008.  
 30 SECTION 78. [EFFECTIVE JULY 1, 2006] (a) The legislative  
 31 services agency shall prepare legislation for introduction in the  
 32 2007 regular session of the general assembly to make appropriate  
 33 corrections and changes in statutes affected by this act.  
 34 (b) This SECTION expires July 1, 2007.  
 35 SECTION 79. An emergency is declared for this act.

C  
o  
p  
y

